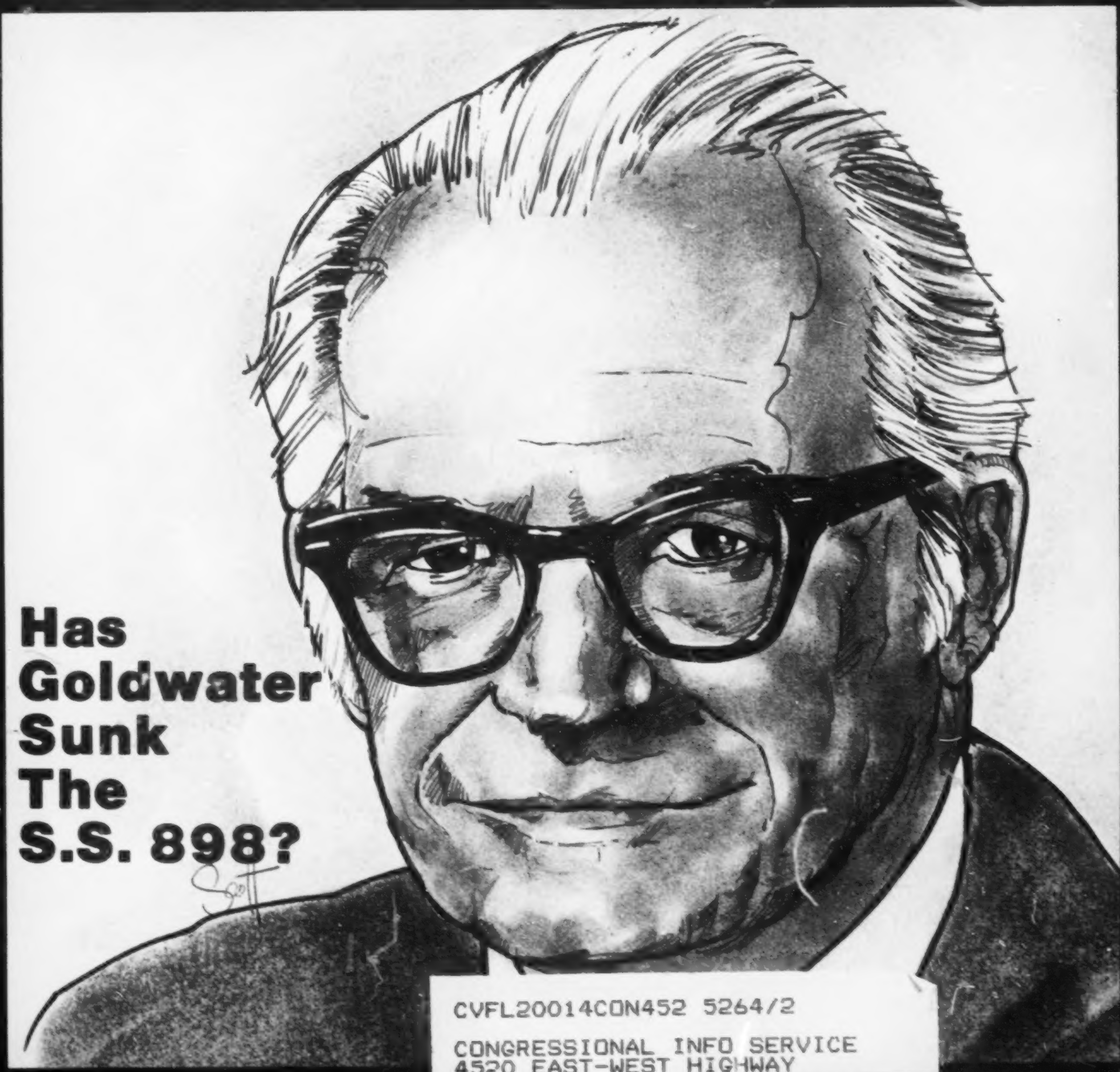
/C 8920 -2

- ESPN, ABC kick
- Warner Amex and Times Mirror tie in Tucson
- Turner unveils CNN II plan
- RCA favors transponder auction plan

CableVision

The news and features weekly of the cable television industry

October 5, 1981



Has Goldwater Sunk The S.S. 898?

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CableVision Volume 7, Number 5. October 5, 1981.

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CableVision
Has Goldwater Sunk The S.S. 898?

Cover story

The cable provisions added to S. 898 have set up a fierce lobbying battle between the NCTA and the country's mayors. As the bill moves to the Senate floor, the mayors have found a champion in Senator Barry Goldwater. **Page 44.**

Sports Merger

Not to be left out of potential profits from pay sports, ABC, relying on its extensive experience in sports coverage, has entered into a joint venture with ESPN for a pay sports network. **Page 13.**

Transponder auction

RCA Americom has submitted a second transponder allocation plan to the FCC. This "preferred" plan involves auctioning the prized transponders to the highest bidders. **Page 16.**

Anticipated plans

Further details on CNN II, and TBS's proposed radio news service were sandwiched between a new round of quips from Ted Turner during a luncheon last week in New York. **Page 22.**

Multipay mixture

Mix a circus tent, local talent and telephones, and you've got Colony's fall multipay launch campaign, which kicked off last month in Fall River, Massachusetts. **Page 29.**

Ted's transfer to Ted

The sixth-ranked advertising agency, Ted Bates & Company, attempts to convince clients to transfer five percent of their network prime-time budgets to WTBS. **Page 30.**

Entrepreneur fever

Magnavox CATV lost four top executives early last week as former President Daniel Mezzalingua leads the pack to form his own company. **Page 35.**

Tie in Tucson

The franchising battlefront continues in Tucson, Arizona, where Warner Amex and Times Mirror are in front of the cable duel. **Page 53.**

Knocking on wood

Where is Neighborhood TV's proposed translator network? Although bogged down with low-power hopefuls at the FCC, its creators are plugging away to get on-the-air sooner than later. **Page 59.**

Porno futures

The House Subcommittee on Government Information and Individual Rights is becoming increasingly concerned about pornography and violence in future satellite programming. **Page 55.**

Censor threat

Time Inc.'s Gerald Levin warns that a determined minority of self-proclaimed censors is threatening to destroy the potential diversity of cable. **Page 10.**

Sunbelt showdown

City consultant, CTIC, ranks Warner Amex and Times Mirror tied for first place in Tucson, Arizona, franchise shoot-out

TUCSON—The city's consultant, Cable Television Information Center, set the stage for the final gunfight between ten multiple system operators competing for the 135,000-home Tucson cable franchise. CTIC last week submitted a report on the Tucson City Council ranking Warner Amex Cable Communications of Tucson and Pueblo Cable TV, a subsidiary of Times Mirror, tied for first place in the race for the city's franchise.

Teleprompter was the second place finisher, followed by Cox Cable, Catalina Cablevision (Tele-Communications, Inc.) and Tucson Cablevision (American Television and Communications Corporation). Catalina Telecommunications (Maclean-Hunter) and Sammons tied for sixth place. Cross Country was ranked seventh and Cablecom of Tucson finished eighth place, according to CTIC.

On October 5, the seven-member Tucson city council will award the franchise. The city is relying heavily on the recommendations of CTIC and its president, Harold Horn.

Tucson officials early in the competition indicated they wanted MSOs to downplay the role of local ownership in franchise proposals. Nevertheless, all but two of the applicants (Sammons and Teleprompter) included some form of local ownership in their proposals. Both Warner and Times Mirror have 20 percent local ownership in their bids.

While local participation was discouraged, public access was given high priority by officials. The top two candidates both proposed Boston-like non-profit corporations to oversee the public access needs of the community. The Times Mirror bid calls for the formation of the Tucson Public Access Authority. A public trust would be created, funded by $300,000 annually by Times Mirror (adjustments to the consumer price index is part of the deal). Warner has proposed the formation of a Tucson Community Access Corporation. Warner will contribute $530,000 for capital expenditures and equipment. Warner's proposal gives more autonomy to the non-profit corporation while Times Mirror's bid offers more funding.

It is a showdown in Tucson, considered by some industry experts as one of the last of the attractive cable markets. A sunbelt city, Tucson has few commercial broadcast stations and was cited in the Chase Econometric as one of the fastest growing cities in the country. Tucson is the home of several high technology companies and middle class families.

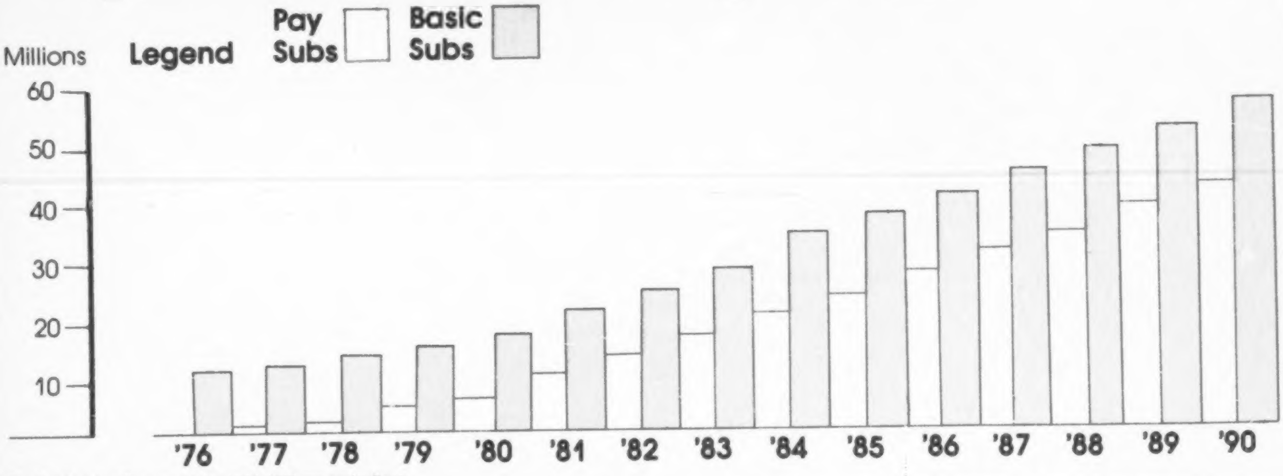
Experts say it is a match between Warner and Times Mirror. Teleprompter, the second place finisher overall, placed seventh in the engineering category, thus hurting its chances to win the franchise. Both Warner and Times Mirror want the Tucson franchise badly. Times Mirror has had very little success in the major market franchise wars. Warner is coming off a tough loss to Cablevision Systems in Boston last month which broke the company's streak of big city franchise victories. Tucson citizens want cable in the city as much as the cable companies want the franchise. Said one city employee: "There isn't much to do here but watch the sun."

—Hugh Panero

Recent franchise activity

Date	Franchise	Homes Passed	Status	Award Date
July 1981	Fairfield County, Connecticut	120,000	Awarded to Cablevision.	July 1981
Aug 1981	**Boston, Massachusetts**	**242,000**	**Awarded to Cablevision.**	**Aug 1981**
Sept 1981	Denver, Colorado	216,000	Bids submitted by Mile Hi Cablevision (ATC and Daniels), Teleprompter and United.	Feb 1982
Sept 1981	**Springfield, Massachusetts**	**60,000**	**Awarded to Continental.**	**Sept 1981**
Sept 1981	Prince George's County, Maryland	100,000	Cable Commission recommended MetroVision and Viacom be awarded the franchise; other applicants included Storer, TCI, United, Cross Country, Sammons.	Oct 1981
Sept 1981	**Milwaukee, Wisconsin**	**252,000**	**Bids submitted by Warner Amex, Teleprompter, Milwaukee Cablevision, First Cable of Milwaukee, Community Citizens Controlled Cable Co-op, Viacom.**	**Feb-March 1982**
Sept 1981	Tucson, Arizona	135,000	Cable Television Information Center has ranked Warner Amex and Times Mirror tied for first place in its overall ranking of the ten applicants.	Oct 1981

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections

Film product comparison

Film	Networks					Distributor
A Small Circle of Friends			TMC*		C	United Artists (UA)
Across the Wide Missouri		ST*			C*	MGM
Airplane	HBO*	ST*	(TMC)	(HTN)		Paramount
Animalympics		ST				Film Gallery
Arabian Adventure					C	AFD
The Attic		ST				Film Gallery
Autumn Sonata	HBO					AFD
The Awakening	(HBO)		TMC			Warner Bros.
The Bad and the Beautiful		ST*				MGM
The Baltimore Bullet					C	Avco Embassy
Barracuda					C*	Gold Key
Being There	(HBO)		(TMC)	HTN*		UA
Bells Are Ringing		ST*				MGM
Between the Lines					C	HBO
The Big Red One	(HBO)		(TMC)	(HTN)	C	Lorimar
Big Wednesday					C	Warner Bros.
Bite the Bullet	HBO					Columbia
Bloodbrothers					C*	Warner Bros.
Boardwalk	HBO					Film Gallery
Bon Voyage, Charlie Brown	(HBO)	(ST)	(TMC)	HTN*		Paramount
Bread and Chocolate			TMC*			HBO
Brigadoon		ST			(C)	MGM
Brubaker	HBO*	(ST)	(TMC)			20th Century-Fox
California Dreaming			TMC			HBO
The Cat from Outer Space	HBO*		TMC*			Disney/Buena Vista
Chandler		ST*				MGM
Chapter Two	HBO*	(ST)	(TMC)	(HTN)		Columbia
Cheaper To Keep Her			TMC			Atlantic
The Children of Theater St.	HBO					Theatre St. Distrib.
China 9, Liberty 27	HBO					Lorimar
Chinatown	HBO	(ST)	(TMC)			Paramount
The Chinese Connection		ST				Graff
Christian the Lion			(TMC)	HTN*		TeleMine
Clair De Femme					C	Film Gallery
Coal Miner's Daughter	HBO*	ST	(TMC)	(HTN)		Universal
Coast to Coast	(HBO)		TMC*	(HTN)		Paramount
The Conformist					C*	Paramount
The Count of Monte Cristo					C*	Alan Enterprises
Cousin, Cousine					C*	Paramount
Cry for Me, Billy					C*	Worldvision
Divine Madness	HBO	(ST)	TMC*		(C)	Warner Bros.
Dona Flor and Her Two Husbands			TMC			Columbia
Don't Go Near the Water		ST				MGM
Dracula Today			TMC			Warner Bros.
The Electric Horseman	HBO*		(TMC)	(HTN)		Universal
Every Which Way But Loose	HBO*	ST*	(TMC)	HTN*		Warner Bros.
Everything You've Always Wanted To Know About Sex But Were Afraid To Ask			TMC			UA
The Evictors			TMC			HBO
Executive Suite		(ST)			C	MGM
Fade to Black	HBO	ST	TMC			Compass Int'l.
Fame	(HBO)	ST	(TMC)			MGM
ffolkes	(HBO)		(TMC)	HTN*		Universal
The Fiendish Plot Of Dr. Fu Manchu	(HBO)	ST		(HTN)		Warner Bros
The Final Countdown	HBO					FFC
Fists of Fury			TMC			Golden Harvest
Freaky Friday	HBO		TMC	HTN		Disney/Buena Vista
Friday the 13th		ST*	(TMC)		(C)	Paramount
From Hell to Victory	HBO*					Worldvision
Galaxina			TMC			Crown International
The Gong Show Movie	HBO		(TMC)			Universal
The Great Santini	(HBO)	(ST)	TMC*			Warner Bros.
The Great Texas Dynamite Chase		ST*			(C)	New World
The Happy Hooker Goes to Washington					C	Swank
The Haunting		ST			C*	MGM
He Knows You're Alone	HBO	(ST)	(TMC)			MGM
The Hideaways			TMC		C	Telepictures
The High and the Mighty		ST*	(TMC)			Batjac
Home to Stay					C	HBO
Hopscotch	HBO	(ST)	(TMC)		(C)	Viacom
H.O.T.S.		ST				Blum Group
Humanoids from the Deep		ST	(TMC)			New World
1941		ST*		HTN		Universal
I Cover the Waterfront					C	Alan Enterprises
The Immortal Bachelor			TMC			K-Pay
It's Always Fair Weather		ST*				MGM
It's My Turn	HBO*	ST	(TMC)			Columbia
The Jerk	(HBO)	ST*	(TMC)			Universal
Joseph Andrews					C*	Paramount
The Kid from Not-So-Big			(TMC)		C*	Booming Ltd.
King Solomon's Mines					C	MGM
Lady Sings the Blues		ST				Paramount
The Last Challenge		ST				MGM
The Legend of the Sea Wolf			TMC	(HTN)		IFD
Lepke					C*	Warner Bros.
Les Girls		ST*			C*	MGM
Let It Be			TMC			UA
Little Darlings	HBO*	ST	(TMC)			Paramount
Little Miss Marker			(TMC)	HTN*		Universal
Love and Death			TMC			UA
Loving Couples	HBO					HBO
Mad Max			TMC			HBO
Manny's Orphan			(TMC)		C*	UA
The Man Who Loved Bears					C	Stouffer
The Man with Bogart's Face			TMC			Viacom
The Marriage Of Maria Braun			TMC			Film Gallery
Middle Age Crazy	HBO					Tormont
Mogambo	HBO					MGM
Monty Python's Life of Brian			TMC*		(C)	Warner Bros.
Mr. Klein			TMC			Columbia
Murder at the World Series			TMC			ABC Pictures
My Bodyguard			(TMC)	HTN*	C*	20th Century-Fox
The New Land					C	Warner Bros.
Night Moves			TMC			Warner Bros.
Nightmare In Badham County			TMC			ABC Pictures
North Avenue Irregulars	(HBO)	ST		(HTN)		Disney/Buena Vista
North Dallas Forty	HBO	(ST)	(TMC)			Paramount

Cable stats

Film	Networks	Distributor
The Nude Bomb	(TMC) HTN*	Universal
Oliver Twist	C	Warner Bros.
On the Town	ST C	MGM
The Orphan	TMC	World Northal
The Parallax View	HBO	Paramount
Phantasm	C	Avoc Embassy
The Pilot	HBO*	Atlantic
The Pinecliffe Grand Prix	TMC	G.G. Comm.
The President's Mistress	C	HBO
The Prisoner Of Second Avenue	(TMC) C*	Warner Bros.
Private Benjamin	HBO ST TMC	Warner Bros.
The Prize Fighter	HBO* (C)	HBO
Resurrection	(TMC) HTN* C*	Universal
Return from Witch Mountain	(HBO) ST* (TMC)	Disney/Buena Vista
Return of the Dragon	ST* (TMC)	Graff
Return of the Streetfighter	ST*	Film Gallery
The Return of the Tall Blond Man with One Dark Shoe	TMC*	Film Gallery
Revenge of the Cheerleaders	ST*	Gold Key
Revenge of the Mysterons from Mars	ST	ITC
Rip Off	(TMC) C	Worldvision
Roadie	(TMC) C	UA
Rough Cut	HBO (TMC) HTN	Paramount
Running	(ST) (TMC) HTN* (C)	Viacom
Saturn 3	HBO ST	AFD
Scalawag Bunch	TMC*	Simcom
Scavenger Hunt	HTN	20th Century-Fox
Seems Like Old Times	HBO* (ST) TMC*(HTN)	Columbia
The Shape of Things To Come	(TMC) C	Worldvision
The Sheepman	ST* (C)	MGM
The Shining	(HBO) ST* TMC*	Warner Bros.
Shipwreck	C*	Warner Bros.
Silent Scream	HBO	ACR
Singin' in the Rain	ST (C)	MGM
Sir Gawain and the Green Light	C	UA
Slapshot	C	Universal
Smokey and the Bandit	HBO*(ST) (TMC)	Universal
Smokey and the Bandit II	(HBO) (TMC)HTN*	Universal
Snake Fist Fighter	ST	21 Century
Snake Fist Vs. the Dragon	ST	21 Century
Somewhere in Time	HBO ST* (TMC) HTN	Universal
Sparkle	C*	Warner Bros.
Spirit of St. Louis	C*	Warner Bros.
Stardust Memories	TMC C	UA
Stay As You Are	ST (C)	New Line Cinema
Stone Cold Dead	ST (C)	Samuel Goldwyn Co.
Straight Time	C*	Warner Bros.
Stranger in the House	C	Warner Bros.
St. Ives	TMC	Warner Bros.
Sunnyside	TMC	HBO
Superman the Movie	ST TMC	Warner Bros.
Tales From the Crypt II	TMC	Castle Hill
Taste the Blood of Dracula	TMC	Warner Bros.
The Tender Trap	ST*	MGM
Terror Train	(TMC) C	20th Century-Fox
Thunderbirds to the Rescue	ST*	ITC
The 39 Steps	HBO	Rank
Times Square	HBO TMC	AFD
Tom Horn	(HBO) TMC	Warner Bros.
The Treasure of Bruce Lee	ST	Best Film and Video
Tuck Everlasting	ST* (C)	N. Babbit
Urban Cowboy	HBO*(ST) HTN*	Paramount
Visit to a Chief's Son	C	UA
The Voyage of Tanai	ST*	NMD Film Dist.
When a Stranger Calls	ST (TMC)	Viacom
Where the Buffalo Roam	HBO* (TMC)	Universal
The White Lions	HBO*	Alan Landsburg
White Water Sam	HBO* ST	K. Larson Ltd.
Wise Blood	ST*	New Line Cinema
Wonderful Crook	C	Film Gallery
Young and Free	C	Manson

■ **Cable Network Legend**
HBO—Home Box Office
HTN—Home Theater Network
ST—Showtime
C—Cinemax
TMC—The Movie Channel

■ Networks in parentheses indicate carriage in May, June, July, August and/or September.

■ An asterisk following a network indicates the film is a carry-over from May, June, July, August and/or September.

■ In total, 176 different titles appear on the October schedules of HBO, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles during the last six months (May-September 1981), 11 films have been shown on four of the networks, 27 on three, and 42 on two of the services. Ninety-six films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is Warner Bros. (25), followed by MGM (19), and the tandem of Paramount and Universal, with 14 films apiece.

■ Goldie Hawn as Private Benjamin takes front and center this month on the program guide covers of Home Box Office, Showtime, The Movie Channel and Cinemax. Cinemax also features "Rough Cut", "Stardust Memories" and a Rich Little variety special. Showtime also takes space for "Purlie", its upcoming Broadway on Showtime presentation. Meanwhile, Home Theater Network sticks with "Somewhere in Time" for the cover of its bi-monthly guide (September-October).

National advertising*

Network/Client	Status
ARTS	
General Motors	New Client
BET	
Amtrak	Renewal
Carson Products	Renewal
Ford (Lincoln-Mercury Div.)	New Client
General Electric	Renewal
North Carolina Mutual	New Client**
U.S. Navy	Renewal
ESPN	
Blue Nun Wines	Renewal
Cadillac Div.-General Motors	New Client
Carter Wallace	New Client
Dow Chemical	New Client
Fotomat	New Client
Fuji Film	Renewal
General Foods	New Client
General Motors	Renewal
Hertz	Renewal
Holiday Inns	New Client
IBM (Corporate)	Renewal
IBM (General Systems Div.)	New Client
Kroy Industries	New Client**
Mattel	New Client
Mercedes-Benz	Renewal
Norelco	New Client
Olympus Cameras	New Client
Showtime	Renewal
Sperry	New Client
U.S. Navy	New Client
MTV	
Andron Frangrance	New Client
Avco Embassy Pictures	New Client
Dolby	New Client**
Filmways Pictures	New Client
The Gap	New Client**
Majestic School Binders	New Client**
Musk Fragrance	New Client
Pepsico	New Client
Phillip Morris (7-Up/Mountain Dew)	New Client
United Artists	New Client
U.S. Navy	New Client
Universal Pictures	New Client
Warner Bros./Atari	New Client
Warner Lambert	New Client
USA Network	
AT&T	New Client
American Express	Renewal
Australian Tourist Commission	Renewal
Britrail	Renewal
British Videotex & Teletext	Renewal
Brown Shoe Co.	New Client
Eastern Airlines	Renewal
Exxon	Renewal
Ford	New Client
General Foods	New Client
Holiday Inns	Renewal
Levi Strauss	Renewal
Legg's Products	Renewal
Manchester Airport Authority	Renewal
Northern Ireland Industrial	Renewal
Phillip Morris (Miller Brewing)	New Client
Porsche-Audi	Renewal
Pro Magazine	Renewal
RCA	New Client
Royal Mint	Renewal
Showtime	Renewal
Scheffiin and Co.	Renewal
Volkswagen	Renewal
U.S. Navy	New Client
Z-Brick	Renewal

*This chart lists national advertising sales by basic cable networks during August 1981. CNN, MSN and SPN sales will appear in next week's issue.

**New to network advertising.

V C 8920-2

- Is QUBE's glamor fading?
- Group W announces HTN Plus, 12 hours a day
- Turner scores WASEC joint marketing deal
- SPN's Ed Taylor sets four-channel goal

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October 12, 1981

ABC's Pierce and Granath:

Cable no longer Greek to them

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October 12, 1981
The news and features weekly of the cable television industry

Cover story

CableVision's Jeri Baker talks to ABC executives Fred Pierce and Herb Granath about the television network's overall plans for the future and what directions its cable ventures plan to go. **Page 57.**

Leading the week

In New York, RCTV, The Entertainment Channel, has finally announced its satellite plans and its officers, while in Washington, Senator Hollings stalls floor debate and Senators Packwood and Cannon have offered a joint compromise on S. 898. **Page 17-22.**

Plus one

Westinghouse forms a new family-oriented 12-hour "midi" service as companion to HTN. New network will be called HTN Plus. **Page 27.**

Jazzy cable

Bourbon Street becomes a programming highway this week, as 2,000 executives and 100 exhibitors pour into NCTA/CTAM's first Software Symposium. An overview of who's there, and possible highlights. **Page 27.**

A heartbeat away

A potential competitor to MTV gears up for launch next year, but not with a booth at the NCTA/CTAM Software Symposium. **Page 33.**

Double deal

WASEC and Turner Broadcasting form an agreement under which WASEC will rep advertising spots on Turner's two news services. In exchange, Turner gains a two-year lease on WASEC's Satcom I. **Page 39.**

Continuing education

AETN talks up use of longer ads as its way to move from red ink to black. A look at how the strategy is working out, now that the network is officially launched. **Page 41.**

Cable quad

SSS President Edward Taylor expresses his goals for making Satellite Program Network into a four-channel cable smorgasbord. **Page 43.**

Crunching out numbers

Independent broadcast and cable research firm, Business Communications, Inc., releases its study on cable penetration percentages. **Page 51.**

QUBE tarnish?

Both *The Wall Street Journal* and *Newsweek* have recently come out with critical impressions of Warner Amex's interactive service. Gustave Hauser defends his cable flagship. **Page 71.**

An interesting, rather dominating view of ABC's headquarters, now the home of four cable networks. Cover photo by Steve Fenn, courtesy of ABC.

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Numbers mill

Business Communications, Inc. (BCI), has recently conducted a survey on cable television programming and penetration for 1980-1981

Industry officials, advertisers, programmers and operators have continually bemoaned the fact that the cable industry has relatively little research to its credit. The Cabletelevision Advertising Bureau is on the move to supply more information and data about the industry as a whole and about the type of subscriber who desires cable programming. Advertising agencies are also beefing up their research operations in cable as evidenced by their increasing numbers at shows, conferences and cable clubs. It is evident that cable is seeking new sources for information. One company which specializes in national cable and broadcasting research is Business Communications, Inc. (BCI), based in Fort Worth, Texas. BCI recently completed a study which measures the 1980-'81 cable programming and penetration percentages. It has just been released to the industry.

The survey, according to Vice President and General Manager Bill Camfield, is the result of combining data gathered from 8,200 individual interviews on cable programming and marketing conducted by BCI during the past 18 months. The "national sample" is compiled as a by-product of studies conducted on behalf of clients applying for individual franchises across the nation.

Citing the significance of the study, Camfield states that each individual survey was structured to comply with 95 percent confidence levels and five percent statistical variations in *each* franchise area. Since the composite contains opinions expressed by residents of ten states (Texas, Louisiana, Florida, Arizona, Minnesota, Oregon, Maryland, Virginia, Michigan and California) and a balance between urban, rural and "bedroom" communities, as well as broad regional representation, the study is likely the most representative sample of national cable programming opinions yet compiled.

BCI, engaged in franchising and marketing research since 1974, plans this as the first of annual composite reports on cable and programming opinions.

All surveys were conducted by random telephone sampling methodology. Opinions represented in this composite are from members of the general public in areas in the franchising phase of cable service.

BCI's standard research format asked 22 questions of potential subscribers about various program preferences and cable tiering options. However, for purposes of the national composite, results are reported for only program category and cable-specific questions.

General program demand

The question is phrased: "Would you like to see much more, a little more, or no more of the following types of television programming?" The question is designed to represent program demand from *any* source: cable, cassette, disc, regular broadcast, etc. Cable, per se, is not specified at this stage of the questionnaire.

BCI finds that the following program categories elicit response from these percentages of the general public as being identified as in the "much more" category:

Full length movies	44.1 %
Documentaries	35.8
Shows for the family ...	33.5
News programs	31.0
Broadway type shows ...	30.7
Adventure shows	30.4
Comedies	30.0
National public affairs ..	29.8
Sports programs	26.6
Cultural programs	21.2
Dramas	21.0
Movies after midnight ..	16.0
Variety specials	16.0
Local current affairs	14.6
Children's shows	10.6
Talk shows	8.8
Game shows	4.5
Soap operas	3.5
Foreign language programs	3.2

Assuming that true programming markets are not limited to high demand, but can be based on both high and moderate demand, BCI combines "much more" and "some more" demand levels to identify program categories that have developmental possibilities. The results of the combination of demand levels (called a "positive" ranking by BCI) reveals some changes in rankings.

Documentaries	72.3
Full length movies	63.8
Adventure shows	60.3
Shows for the family ...	59.5
National current affairs .	58.8
Comedies	56.6
Broadway-type shows ...	54.7
Dramas	53.3
Cultural programs	53.2
Sports programs	50.0

Variety specials	43.0
Local current affairs	41.0
Children's shows	36.8
Talk shows	31.5
Movies after midnight	30.1
Game shows	18.8
Foreign language programs	14.0
Soap operas	13.2

It should be noted that each person responding to the surveys may answer each category of programming with "much," "some" or "no" more. Consequently, the percentages represent the actual segment of those surveyed and their representative opinion on each program category. Due to the large sample size, interest levels can be interpreted as valid on a national base.

Programs and services offered

Included later in the questionnaire is a list of programs, services and interactive options generally considered for offering in franchise presentations. At this point in the survey, the interviewee is aware that some of the listed options will be offered as "basic," some as part of "public services" and others as additional "pay" options. They are aware that all or any on cable will entail some investment on their part as viewers. The results reported are for those programs and services identified by the respondents as those in which they would be "very" interested, indicating a high level of marketability by cable companies and programmers. These rankings are:

Academic credit courses	23.5 %
Medical health programs	15.9
Children's shows	14.9
Congressional sessions	13.3
24-hour sports	12.8
Consumer and price information	12.6
"Talking books" for the blind	11.3
Fine arts programs	10.8
24-hour weather	9.2
Additional, in-depth news	9.2
Shopping at home	8.6
Banking at home	8.2
Local school events	7.9
Women's issues programs	7.6
Ethnic programs	7.6
Religious programs	4.9
Local governmental meetings	4.8

Tier testing results

Although the BCI studies compare a variety of tiers of cable service, the options can be grouped for this summary into three major categories. First, basic plus one premium at $10 monthly or less; secondly, an additional premium service at $8 to $9 more monthly; and thirdly, security-fire-medical at an additional $15 monthly.

Nationally, the acceptance levels show:

For basic, plus one premium service at $10: 35.2 percent are *probably* interested. The range is from 30.8 percent to 41 percent. Thirty-two percent are *definitely* interested. The range is from 23 percent to 47.2 percent.

For additional premium (movie) channel at $8 to $9 more monthly, the results are: 30.6 percent are *probably* interested (ranging from 26.4 percent to 34.1 percent. Twenty-nine percent are *definitely* interested (ranging from 20.2 percent to 39.6 percent).

For additional security services at about $15 a month the answers show 16.3 percent are *probably* interested. The answers range from 13.3 percent to 20.9 percent across the nation. Eight percent are *definitely* interested (ranging from 2.9 percent to 12.0 percent).

Probable penetration

The BCI method asks the prospective cable subscriber to generally express interest in cable (basic or any other level) after hearing all of the options expressed in the questionnaire. This data is used to measure the overall likelihood of penetration in a given market.

Based on the 8,200 surveys across the country, BCI finds the following responses:

35.3 percent state that they are *highly likely* to subscribe.
(Range—24.2 percent to 47 percent)
30.8 percent are *somewhat likely* to subscribe.
(Range—22.6 percent to 45 percent)
26.9 percent state that they are *unlikely* to subscribe.
(Range—12 percent to 40 percent)
8.3 percent are *undecided.*
(Range—2 percent to 13.9 percent)

In order to arrive at reasonable short- and long-range penetration projections, it is necessary to make certain assumptions. Since no history exists to allow comparison between what prospective subscribers in a franchising area "think" they will do and what they actually act upon when an expenditure option is exercised, certain common sense assumptions are required to span the gap between the histories of older "cable antenna" systems and the "multiple option" systems being tested for the future.

BCI applies two criteria, one representing a "best case" assumption and another representing "modified option" assumption.

Using these two marketability assumptions, the short-range (one to five year history) projection for cable penetration in a typical national market would be:

80 percent of the "highly likely" subscribers	28.3%
70 percent of the "somewhat likely" subscribers	21.5%
50 percent of the "undecided" subscribers	4.1%
Total	53.9%

The total percentage would be validated as a short-range penetration figure in a typical cable franchise.

The longer-range projection would assume the effectiveness of program development and aggressive marketing and produce:

35 percent highly likely
30 percent somewhat likely
4 percent undecided
69 percent total

Therefore (as a national average), the cable planner could assume that a penetration slightly above 53 percent for the first five years, and a reasonable peak of around 70 percent beyond that point, would be realistic. It should be noted, however, that the 8,200 persons responding to this study are making judgments largely on product that they have heard of, are highly aware of, but generally have not experienced.

It should also be noted (as reflected in the acceptance ranges noted above) that *individual* franchise areas can vary significantly.

The singularly most evident fact to be concluded from all facets of the study is that the public is excited and positively expectant about cable service. A definite "hunger" and preconditioned "receptability" exists in the uncabled areas. The marketability of cable is very high. Product and service will determine if the measured expectations (as reflected in this composite study) turn into cable sales and stay in the subscriber fold after the product is sampled. ▪

Slicing the pie

The race for cable's 1979 royalties is nearing the stretch run

WASHINGTON—The copyright Royalty Tribunal is in the midst of its annual rite known as the distribution hearings for cable royalties. This time around the commissioners will be divvying up the monies collected for cable retransmissions for 1979. In the scurry for a piece of the action, the National Association of Broadcasters and the joint sports claimants are asking for substantially more than they were granted in the 1978 pool.

Last year, the NAB and the sports interest were awarded 3.25 and 12 percent, respectively. During the current procedure, the NAB claims a right to 27 percent of the cable royalties; the joint sports claimants (including Major League Baseball, the National Basketball Association, the National Collegiate Athletic Association, the National Hockey League and the North American Soccer League) have requested 35 percent. These inflated claims will cause the CRT some difficulties; the top eight contenders alone have asked for 167 percent of the total amount collected, $13,782,179.86.

There are 636 total claimants asking for part of the 1979 royalties. The list is led by the Motion Picture Association of America, asking for 75 percent of the total, which is the same amount that all syndicated programmers were jointly given last year for the 1978 pool. The other top contenders are the music performing rights societies (ASCAP, BMI and SESAC)—nine percent; the Public Broadcasting Service—eight percent; and the Canadian Broadcasting Corporation—5.3 percent.

The claim by the sports interests is 23 percent higher than the amount granted last year and is causing some tension between broadcast concerns and the league representatives. According to CRT senior commissioner Thomas Brennan, the joint sports claim was boosted because "they felt the CRT criterion adopted this year was tailor-made for their interests." During last year's proceedings, the CRT stated that the entire percentage of cable royalties designated for sports programming would be awarded to the sports teams unless language in a contract stated otherwise. Brennan said that decision would not be in effect this year, leaving more room for jockeying between the broadcast and sports interests.

Last week, the sports claimants filed a motion with the CRT requesting a reaffirmation of the previous policy. Brennan said the CRT will act on it as soon as possible.

Meanwhile, the distribution of the 1978 cable royalties is still pending in the U.S. Court of Appeals for the District of Columbia. Last spring, in a three-to-two vote, the CRT decided to distribute 50 percent of the 1978 royalties, totalling $7,970,000, to those parties who were not subject to appeal.

However, the NAB challenged the proceeding, charging that all parties should be able to appeal. The NAB is slated to present its oral arguments in the case October 30.

In a related issue, the National Cable Television Association assured the CRT that it does indeed represent the cable industry in the royalty fee adjustment proceedings. Two months ago, the CRT requested comments on whether the association had standing to petition the CRT on behalf of its member cable systems.

Brennan explained that the request for comments was in response to a complaint by ASCAP stating that a petition by a trade association alone could be defective. ASCAP urged that the NCTA be required to be joined by at least one or two cable operators. Brennan said that, according to the Communications Act, a petitioner is required to be a user, in this case, a cable operator. In response, the NCTA said that it fulfilled the "significant interest" requirement of the Act, since it has "a significant interest" in "its member cable systems who are copyright users under the cable compulsory license and whom NCTA has standing to represent."

—David Price

Splitting the copyright pie

Following is a list of the percentage of cable royalties parcelled out to the top claimants for the 1978 pot, followed by their 1979 request.

Claimant	**1978 Share**	**1979 Request**
Motion Picture Association of America	75%	75%
Joint Sports Claimants	12%	35%
Public Broadcasting Service	5.25%	8%
Music Performing Rights Societies	4.5%	9%
U.S. and Canadian Broadcasters	3.25%	†
National Association of Broadcasters	—	27%
Canadian Broadcasting Corporation	—	5.3%
National Public Radio	—	4%
Christian Broadcasting Network	*	4.03%

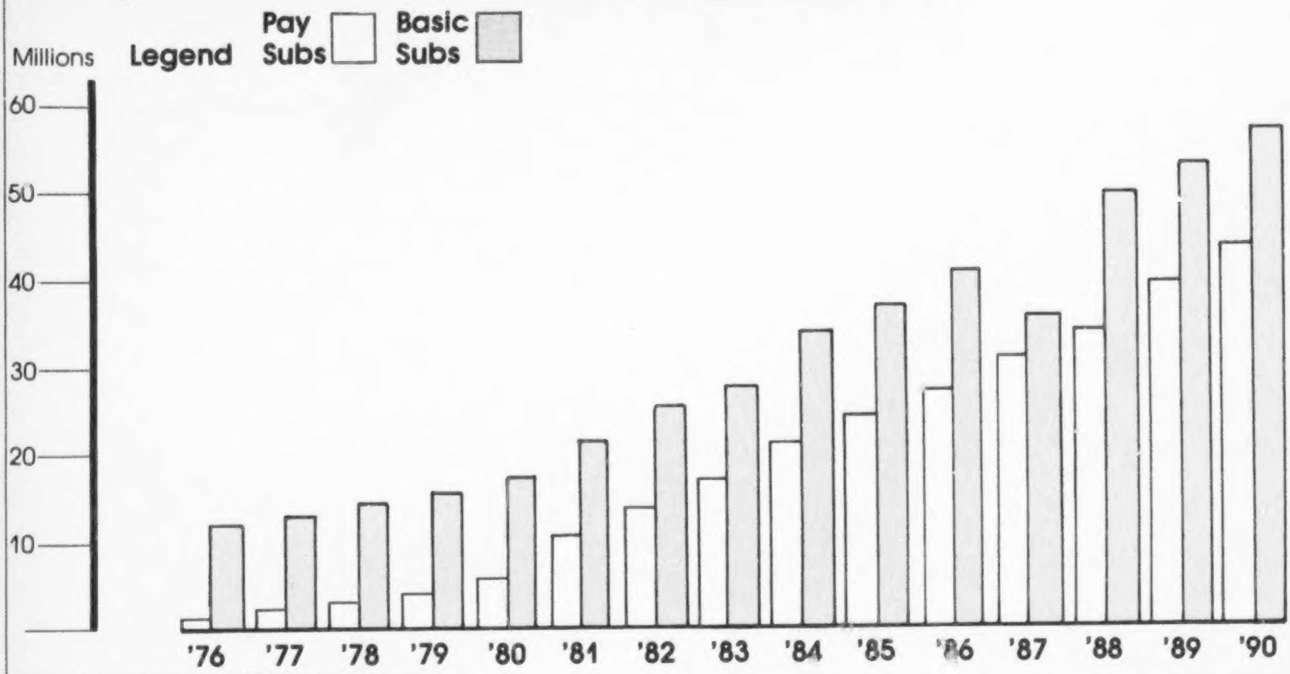
* In 1978, CBN was included with the MPAA and other program syndicators.
† In 1978, NAB and CBC were combined.

Partial distribution of 1978 royalties

Claimant	**Amount**
Motion Picture Association of America	$5,977,500.00
Major League Central Fund	956,400.00
Public Broadcasting Service	418,425.00
American Society of Authors, Composers and Publishers	193,671.00
Broadcast Music, Inc.	154,219.00
SESAC, Inc.	10,760.00
National Association of Broadcasters	187,491.70
Canadian Broadcasting Company	26,836.28
Turner Broadcasting System	8,541.91
Assorted claimants	36,155.11
Total	**$7,970,000.00**

Cable stats

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections

Satellite line up

Satcom I (RCA Americom)

	Transponder
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAL, Dow Jones)	3
Inoperative	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO owned, presently not working	13
Cable News Network	14
Warner Amex owned (RCA message traffic)	15
Showtime, ACSN, National Jewish Television, AETN, video teleconferencing	16
Showtime (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
United Video (7:00 a.m. to noon) Times Mirror (Spotlight, noon to 7:00 a.m.)	19
HBO (Cinemax-east)	20
Landmark (Home Theatre Network during early evening)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IIIR—Projected launch October 1981, 24 transponders, 4/6 GHz
Satcom IV—Projected launch December 1981, 24 transponders, 4/6 GHz
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)

	Transponder
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word TV Network	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)

	Transponder
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

SPCC I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
SPCC II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
SPCC III—presently being built

1981-1982 designated market area TVHH estimates*

Rank	Designated Market Area	Jan. 1982 TVHHs	Current TVHHs
1	New York	6,538,600	6,409,720
2	Los Angeles, Palm Springs	4,316,800	4,214,600
3	Chicago	2,996,200	2,944,860
4	Philadelphia	2,431,100	2,400,780
5	San Francisco-Oakland	2,011,000	1,950,270
6	Boston, Manchester, Worcester	1,943,200	1,920,160
7	Detroit	1,677,500	1,658,910
8	Washington, DC	1,491,000	1,467,620
9	Cleveland, Akron	1,420,100	1,402,020
10	Dallas-Ft. Worth	1,381,700	1,355,900
11	Houston	1,287,200	1,255,010
12	Pittsburgh	1,217,900	1,202,490
13	Miami-Ft. Lauderdale	1,117,900	1,099,690
14	Seattle-Tacoma	1,123,900	1,093,860
15	Minneapolis-St. Paul	1,085,700	1,071,370
16	Atlanta	1,079,200	1,062,690
17	St. Louis	1,047,600	1,029,430
18	Tampa-St. Petersburg, Sarasota	1,046,500	1,028,780
19	Denver	876,900	858,930
20	Baltimore	845,300	835,150
21	Sacramento-Stockton	853,800	833,700
22	Indianapolis	816,400	804,420
23	Portland, OR	811,600	789,360
24	Phoenix, Flagstaff	749,300	727,150
25	Hartford & New Haven	715,600	707,810
26	Cincinnati	717,300	707,560
27	San Diego	717,400	699,110
28	Kansas City	700,800	688,930
29	Milwaukee	686,600	679,100
30	Nashville, Bowling Green	689,400	675,810
31	Charlotte	623,700	613,740
32	Buffalo	620,400	613,110
33	Providence-New Bedford	607,600	601,880
34	Orlando-Daytona Beach	605,800	595,990
35	New Orleans	600,700	590,880
36	Memphis	595,800	581,190
37	Columbus, OH	582,900	576,840
38	Greenville-Sparta-Asheville	585,000	574,160
39	Grand Rapids-Kalamazoo-B. Crk.	573,900	566,750
40	Birmingham, Anniston	574,600	563,670
41	Raleigh-Durham	541,400	530,890
42	Oklahoma City	537,500	528,260
43	Louisville	536,900	528,190
44	Salt Lake City	535,600	522,960
45	San Antonio	518,500	502 930
46	Charleston-Huntington	502,400	490,840
47	Norfolk-Portsmth-Newpt. Nws.	489,200	480,380
48	Harrisburgh-Lngstr-Leb.-York	485,000	473,620
49	Wilkes Barre-Scranton	475,800	469,230
50	Albany-Schenectady-Troy	468,600	463,300
51	Dayton	465,100	460,350
52	Greensboro-H. Point-W. Salem	457,700	449,510
53	Syracuse, Elmira	452,800	446,770
54	Flint-Saginaw-Bay City	447,800	443,610
55	Richmond-Petrsbg, Charltsvl.	438,800	429,540
56	Little Rock-Pine Bluff	440,200	429,150
57	Shreveport	438,700	427,530
58	Tulsa	429,000	420,190
59	Wichita-Hutchinson Plus	411,300	404,170
60	Toledo	406,000	401,590
61	Knoxville	402,000	392,380
62	Mobile-Pensacola	391,900	383,590
63	Jacksonville	378,600	371,510
64	Fresno (Visalia)	374,300	365,030
65	Roanoke-Lynchburg	368,100	360,390
66	Albuquerque, Farmington	368,600	350,710
67	Green Bay	350,000	347,130
68	West Palm Beach, Ft. Pierce	352,400	345,320
69	Des Moines-Ames	345,500	340,560
70	Omaha	342,800	337,630
71	Rochester	336,800	333,520
72	Spokane	341,400	331,800
73	Portland-Poland Spring	326,800	322,720
74	Davenport-R. Island-Moline	324,200	320,030
75	Champaign & Springfld-Decatur	321,700	316,150
76	Cedar Rapids-Watrloo, Dubuq.	318,500	313,950
77	Johnstown-Altoona	318,600	312,520
78	Honolulu	310,700	300,560
79	Paducah-C. Giradeau-Harrbg.	304,500	298,560
80	Chattanooga	291,400	286,150
81	South Bend-Elkhart	282,300	277,660
82	Tri-Cities: TN-VA	281,400	274,550
83	Lexington	276,200	264,960
84	Springfield, MO	271,700	264,190
85	Jackson, MS	267,800	260,260
86	Lincoln & Hstngs.-Krny. Plus	254,900	251,130
87	Tucson (Nogales)	258,100	250,380
88	Evansville	248,900	245,390
89	Austin	248,900	242,380
90	Huntsville-Decatur, Florence	243,200	239,160
91	Baton Rouge	239,900	235,920
92	Youngstown	236,300	233,880
93	Ft. Wayne	235,400	232,140
94	Columbia, SC	236,200	231,240
95	Springfield-Holyoke	231,700	228,530
96	Burlington-Plattsburgh	228,800	225,270
97	Peoria	224,600	221,050
98	Greenville-N. Bern-Washngtn.	223,700	218,560
99	Lansing	216,700	213,810
100	Sioux Falls (Mitchell)	213,000	210,150

* Copyright 1981 by A.C. Nielsen Company

National advertising*

Network/Client	Status
CNN	
Allen Products (Alpo)	Renewal
Campbell Soup	Renewal
Cheeseborough-Ponds	New Client
Esmark (Playtex Division)	New Client
Ford (Lincoln-Mercury)	Renewal
General Foods	Renewal
Magnavox	New Client
McCullough Chain Saws	New Client
Reynolds Metals	New Client
Richardson-Vicks	New Client
Shell Oil Company	Renewal
Wang	New Client
MSN	
Hallmark Cards	New Client
Kellogg's	New Client
Kraft	Renewal
U.S. Gypsum	New Client
World Book/Childcraft (Field Enterprises)	Renewal
SPN	
American Fur Industries	New Client***
Avon Books	New Client
Dow Jones (Wall St. Journal)	Renewal
Doubleday (Literary Guild)	Renewal
Exxon	New Client
Ford (Lincoln-Mercury)	New Client
Home Box Office	New Client
SIN	
Armour Dial	New Client
H.J. Heinz (Ore-Ida Foods)	New Client
J.C. Penney	New Client
Johnson & Johnson (Personal Products Division	Renewal

* This chart lists national advertising sales by basic cable networks during August 1981. Last week's "Cable stats" on national advertising covered ARTS, ESPN, MTV and USA Network.

** Some CNN buys were made shortly before August 1981.

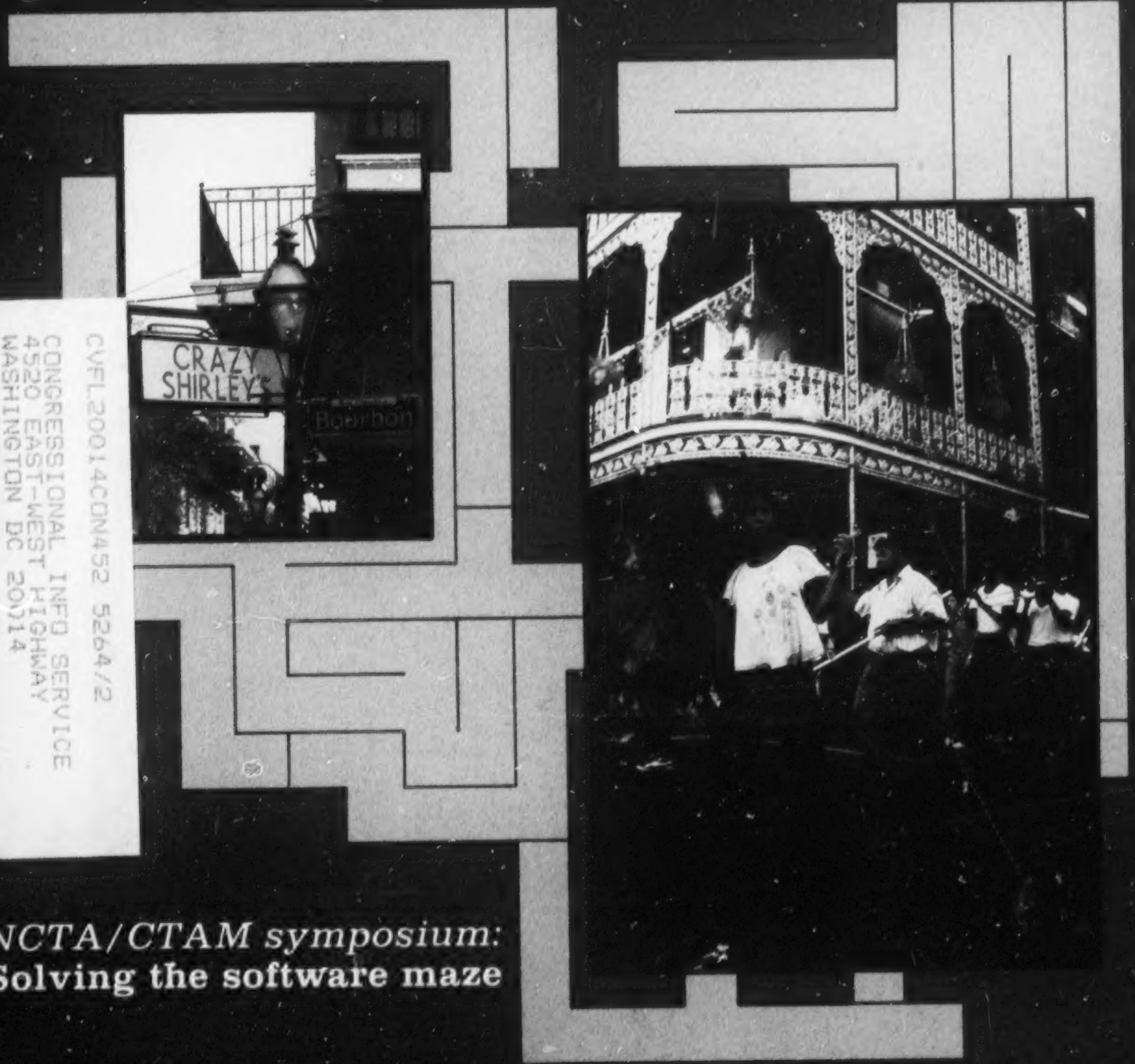
*** New to network advertising

C 8920 - 2

- Senate reneges on cable amendments
- Cox Cable wins in Tucson
- USA mounts program task with 24 hours
- CableVision reviews CBS Cable

CableVision

The news and features weekly of the cable television industry
October 19, 1981



CVFL20014CON452 5264/2
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
WASHINGTON DC 20014

NCTA/CTAM symposium:
Solving the software maze

CableVision
Volume 7, Number 7. October 19, 1981

Between the lines/5
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CableVision

Cover story

In the cable world of joint ventures, NCTA merged with CTAM in New Orleans to present the first cable software symposium,devoted to programming. Naturally, such an event warrants coverage as CableVision's eight-page section demonstrates. **Page 40.**

Leading the week

The deregulation of AT&T and the telecommunications industry made it through the Senate, while the cable provisions were cut short except for the approval that AT&T would not be allowed in the cable field. Also in the news is Cox Cable, which came up a winner in Tucson early last week. **Page 15.**

Through rain or snow. . .

Looking like a weathered cable veteran in its appearance at the software symposium, The Weather Channel has announced that it has signed 2.5 million subscribers in just two weeks. **Page 17.**

Eye on launch

The eagerly awaited opening night of CBS Cable receives an extensive review by CableVision columnist Robert DiMatteo. **Page 28.**

Commercial break

A news service within a news service takes shape, as the *Des Moines Register* joins with Heritage Communications for hourly briefs during CNN's local breaks. **Page 24.**

New parents

Time Inc. and Paramount Pictures Corporation officially take control of the four-year-old sports network. **Page 33.**

Cable lockout

In further news from Los Angeles regarding the active franchising process there, a city councilman proposes that lockboxes be installed on all home terminals. **Page 56.**

FCC assessments

An FCC report has come out in favor of transponder auctions rather than by government decree, and in another deregulatory move, the commission expresses its desire to modify or delete major STV requirements. **Page 58.**

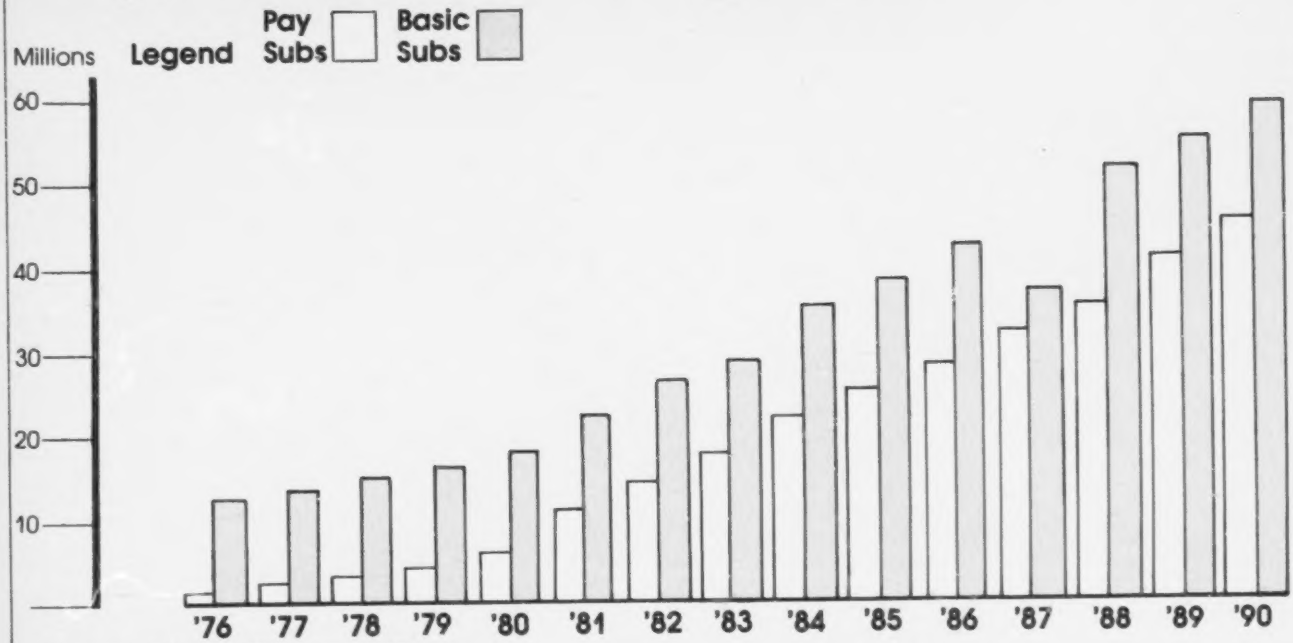
Videotext association

American videotext companies are taking steps to organize a national videotext assocation. **Page 66.**

Cable fitness

USA Network, one of the oldest basic cable services, becomes the latest to turn 24 hours. Debuting with the change: *Alive and Well*, the health and fitness showcase backed by Bristol-Myers. **Page 23.**

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections.

Subscriber counts

Basic Cable Services (television)*	**Systems**	**Homes**	**% Change in Homes From 8/31**
WTBS	3,472	15,779,000	+2.60
CBN	2,900	13,300,000	+0.76
ESPN	2,625	12,214,314	+6.20
C-SPAN	1,150	10,000,000	N.C.
CNN	1,539	8,650,000	+6.79
USA Network	1,550	8,500,000	N.C.
BET	742	8,132,112	+3.61
WGN	1,961	6,877,041	+4.16
Nickelodeon/ARTS	1,300	5,200,000	+1.96
WOR	1,028	4,188,685	+5.48
Modern Satellite Network	538	4,100,000	+2.50
PTL	370	3,940,000	+0.51
SPN (as of 9/15)	317	3,146,177	+1.92
SIN**	134	2,756,800	+3.03
MTV	300	2,500,000	N.C.
AETN	262	2,500,000	+8.70
National Jewish Television	57	1,433,850	+13.05
Trinity	140	1,150,000	+13.39
ACSN	218	1,130,495	+0.61
Episcopal Television Network	64	1,035,000	+1.87
North American Newstime	112	825,666	-2.86
Eternal Word Television Network	13	285,900	N.C.
Basic Cable Services (audio)*			
WFMT	84	593,609	+3.98
Lifestyle	27	235,224	+9.10
STV Service*			
SelecTV Programming	7	190,000	+N.C.
Pay Cable Services (television)*			
Home Box Office	2,900	7,000,000	N.C.
Showtime	1,100	2,000,000	N.C.
The Movie Channel	1,300	1,500,000	+11.11
Cinemax	400	700,000	N.C.
Home Theater Network	203	142,000	+3.52
Escapade	60	130,000	+8.33
Bravo***	10	120,000	N.C.
Private Screenings***	11	125,000	+25.00
GalaVision	102	90,000	+5.88

Regional Pay Cable Services (television)	**Systems**	**Homes**
Action TV	N.A.	N.A.
Atlantis Entertainment Network	5	950
PRISM	70	245,200
Rendezvous (Gill Cable)	2	12,000
SportsChannel (New York)	18	184,000
SportsChannel (Chicago)	N.A.	N.A.
Z Channel	10	100,000

Announced Satellite-Fed Cable Services	**Projected Launch Date**
CBS Cable	10/12/81
Penthouse Entertainment Network	11/1/81
Cable News Network II	1/1/82
Home Theater Network Plus	1/1/82
Eros	1/1/82
RCTV/The Entertainment Channel	first quarter 1982
Daytime	first quarter 1982
Times Mirror Shopping Channel	first quarter 1982
The Health Channel	first quarter 1982
Satellite NewsChannels (channel one)	first quarter 1982
The Nashville Network	second quarter 1982
Cable Newspaper Corporation	second quarter 1982
UTV Cable Network	second quarter 1982
Kidvid Network	second quarter 1982
ESPN/ABC pay sports service	second quarter 1982
The Weather Channel	second quarter 1982
Satellite NewsChannels (channel two)	fourth quarter 1982
Cinemerica	T.B.A.
Las Vegas Entertainment Network	T.B.A.
The Buena Vista Channel	T.B.A.
Lewmark Productions' Music Channel	T.B.A.
Heartbeat Media Network	T.B.A.
Spanish Universal Network	T.B.A.
Window (independent producers network)	T.B.A.
Black Music Cable Network (Inner City/Unity)	T.B.A.
Video Concert Hall (relaunch)	T.B.A.

*Satellite-fed services' subscriber counts are as of September 30 unless noted otherwise.
**Estimated Spanish speaking households; includes broadcast stations and translators.
***Includes STV systems.
N.A. designates not available.
N.C. designates no change.
T.B.A. designates to be announced.

Cablestats

Top 50 MSOs

Rank	MSO	Subscribers
1.	ATC	1,625,000
2.	Teleprompter	1,533,322
3.	TCI	1,277,000
4.	Cox Cable	1,019,989
5.	Warner Amex Cable	800,000
6.	Storer Cable	750,000
7.	Times Mirror	635,368
8.	Viacom Cablevision	478,443
9.	Continental Cablevision	460,264
10.	UA-Columbia	460,000
11.	Sammons Communications	433,545
12.	United Cable Television	432,112
13.	General Electric Cablevision	275,000
14.	Cablecom-General (with Capital Cities)	260,577 267,444
15.	Telecable	250,000
16.	Midwest Video	239,349
17.	NewChannels (Newhouse)	218,000
18.	Heritage Communications	210,000
19.	Liberty Communications	199,500
20.	Service Electric Cable TV	189,500
21.	Cablevision Systems Development	187,000
22.	Comcast	179,027
23.	Wometco Communications	160,003
24.	Tele-Media	154,000
25.	TCA Group	153,000
26.	Vision Cable (Newhouse)	150,000
27.	Century Communications	150,000
28.	MetroVision (Newhouse)	150,000
29.	Western Communications	144,780
30.	Daniels & Associates	140,000
31.	Jones Intercable	124,341
32.	Colony Communications	120,150
33.	Suburban Cablevision (Maclean-Hunter)	114,626
34.	Rollins Cable Vue	105,000
35.	Harris Cable	101,222
36.	Centel Communications	99,000
37.	Harron Communications	90,000
38.	Multimedia Cablevision	85,000
39.	Communications Service	84,248
40.	Buckeye Cablevision	83,348
41.	Clearview Cable TV	82,561
42.	Tribune Company Cable	81,000
43.	Plains Communications	80,000
44.	Multi-Channel TV Cable	75,000
45.	McDonald Group	72,679
46.	Cablentertainment	69,067
47.	Palmer Communications	67,672
48.	Adams-Russell	63,000
49.	King Videocable	62,826
50.	Perry Cable Companies	62,000

Cable TV's top 50 markets*

A.C. Nielsen			Arbitron	
Rank	Designated Market Area	Cable TVHHs	Designated Market Area	Cable TVHHs
1	New York	1,418,940	New York	1,095,300
2	Los Angeles, Palm Springs	779,130	San Francisco	644,000
3	San Francisco-Oakland	748,770	Philadelphia	524,500
4	Philadelphia	639,720	Los Angeles	519,600
5	Pittsburgh	532,540	Pittsburgh	460,900
6	San Diego	368,940	San Diego	310,400
7	Seattle-Tacoma	349,860	Seattle-Tacoma	288,900
8	Boston, Manchester, Worcester	337,260	Boston	273,100
9	Hartford, New Haven	312,970	Wilkes Barre-Scranton	252,100
10	Cleveland, Akron	295,350	Hartford-New Haven	235,300
11	Wilkes Barre-Scranton	287,310	Cleveland	232,000
12	Charleston-Huntington	258,460	Charleston-Huntington	228,100
13	Buffalo	246,070	Buffalo	203,200
14	Orlando-Daytona Beach	237,340	Harrisburg-York-Lancaster-Lebanon	195,100
15	Syracuse, Elmira	233,720	Orlando-Daytona Beach	189,100
16	Harrisburg-Lancaster-Lebanon-York	225,620	Albany-Schenectady-Troy	186,300
17	Atlanta	213,450	Columbus, OH	171,500
18	Columbus	211,760	Johnstown-Altoona	169,500
19	Albany-Schenectady-Troy	210,000	Tampa-St. Petersburg	167,400
20	Johnstown-Altoona	209,780	Grand Rapids-Kalamazoo-Battle Creek	166,100
21	Tampa-St. Petersourg, Sarasota	204,020	Atlanta	154,800
22	Grand Rapids-Kalamazoo-Battle Creek	198,640	Indianapolis	147,300
23	Sacramento-Stockton	198,080	Sacramento-Stockton	142,800
24	Kansas City	188,210	West Palm Beach	141,700
25	Houston	187,870	Syracuse	139,900
26	Indianapolis	179,310	Washington, D.C.	138,600
27	Birmingham-Anniston	175,360	Dallas-Ft. Worth	138,600
28	Washington, D.C.	172,070	Kansas City	138,300
29	West Palm Beach, Ft. Pierce	166,890	Toledo	135,800
30	Miami-Ft. Lauderdale	166,200	Wichita-Hutchinson	133,600
31	Dallas-Ft. Worth	165,990	Dayton	126,700
32	Oklahoma City	165,850	Portland, OR	125,200
33	Dayton	163,970	Tulsa	124,000
34	Tulsa	159,480	Shreveport-Texarkana	122,200
35	Champaign, Springfield-Decatur	158,340	Miami	122,200
36	Wichita-Hutchinson Plus	157,580	Oklahoma City	119,500
37	Raleigh-Durham	150,330	Houston	119,400
38	Shreveport	150,320	Springfield-Decatur-Champaign	118,400
39	Toledo	148,960	Waco-Temple	117,800
40	Portland, OR	144,540	Chicago	115,300
41	Chicago	140,530	Raleigh-Durham	113,600
42	Honolulu	138,260	Flint-Saginaw-Bay City	113,300
43	Flint-Saginaw-Bay City	135,310	Santa Barbara-Santa Maria-San Luis Obispo	110,300
44	Norfolk-Portsmouth-Newport News	133,960	Spokane	109,300
45	Santa Barbara-Santa Maria-San Luis Obispo	132,100	Roanoke-Lynchburg	106,000
46	Mobile-Pensacola	131,490	Salinas-Monterey	103,700
47	Roanoke-Lynchburg	127,330	Greenville-Spartenburg-Asheville	103,600
48	San Antonio	125,870	Portland-Poland Spring	102,600
49	Greenville-Spartanburg-Asheville	124,100	Birmingham	100,200
50	Spokane	123,180	Mobile-Pensacola	99,500

Basic Cable Penetration Estimates*

	Cable Homes	Percentage of TVHHs	Change In Homes From May '81	Percent Change of TVHHs
Arbitron	17,607,000	22.0	+230,400	0.0
Nielsen	21,930,490	27.3	+600,000	0.8

* Cable television household counts are as of July 1981.

NOTE

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- TCI/Boulder, Colorado, at the Supreme Court
- Hearst/ABC Video prepare for the daytime
- Tax report on transfer of lease benefits for cable

CableVision

The news and features weekly of the cable television industry
October 26, 1981

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Cable security and
local alarm companies:
Making crime think twice

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CableVision

Volume 7, Number 8. October 26, 1981

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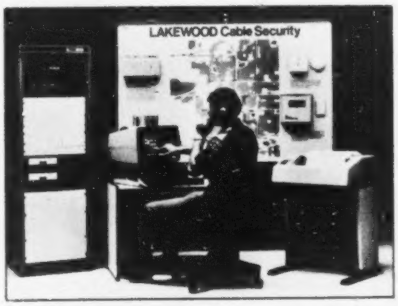
Cable security and local alarm companies: Making crime think twice

Cover story

As the crime rate increases, the demand for home security is also rising, and cable systems are confident that they can fill this need. But can they do it alone? There are some advantages that indicate a joint venture with a local alarm company may be the way to go. Cover photo by Rob Stuehrk. **Page 41.**



Leading the week

Tele-Communications, Inc., subsidiary Community Communications Company in Boulder, Colorado, is at the U.S. Supreme Court in a controversial case against the city of Boulder; and Associate Editor Hugh Panero examines the New York City cable consultant's report on the New York borough bids. **Pages 13-16.**

Daytime preparations

Hearst/ABC Video has released much of its plans for the service's new women's network, Daytime. **Page 21.**

Candygram? No, cablegram

Manhattan Cable on November 1 will carry a classified advertising and cablegram channel on public access. New Yorkers will be able to purchase time on the channel to sell items or send messages. **Page 28.**

Pay gold

Showtime finds multipay gold in San Carlos, California, with help from a TCI system upgrade. **Page 32.**

More tax tips

In the continuing series on how government tax regulation applies to cable, writer Roger Baer devotes this column to the transfer of tax benefits through leasing. **Page 35.**

Superstation suit

The victory for United Video, found not guilty of copyright infringement for stripping the vertical blanking interval from the WGN signal is detailed; plus a run-down of how the Senators voted on S. 898 last week. **Page 56.**

Credit card computer

Officials at American Express have entered the evolving home computer market, by offering this fall a British-made product through an arrangement with Sinclair Research Ltd. **Page 58.**

Cablevents

The happenings in the cable world include three upcoming state cable television association meetings—in New Mexico, New Jersey, West Virginia—plus a regional one in New England. **Page 62.**

Spectacular debut

Dick Cox, CBS Cable's president, with William S. Paley, CBS chairman of the board, at CBS Cable's opening night party held at the New York Public Library. More than 1,000 guests were on hand. Story on page 32.

Colonial foothold

The Los Angeles Department of Transportation has recommended a Colony subsidiary to serve the Harbor area

LOS ANGELES—Colony/Harbor Cablevision, Inc., a subsidiary of Colony Communications, Inc., has been recommended by the Los Angeles City Department of Transportation to receive the Harbor area franchise in Los Angeles.

The Department of Transportation, which is responsible for evaluating all cable franchise bids in Los Angeles, made the recommendation at an October 6 meeting. Other bidders for the Harbor area were American Television and Communications Corporation's subsidiary, Harbor Cablevision, and South Central CATV Associates. Under the departmental rating system, Colony/Harbor and Harbor Cablevision were rated equally in three categories: bindable items, technical proposal and capacity to perform. The department recommendation was made on the grounds that Colony/Harbor's system design is more appropriate and responsive to the needs of the Harbor area.

The Harbor area of Los Angeles comprises 179 plant miles and 26,896 homes—an average of 150 homes per mile. Colony/Harbor proposed a dual-trunk 400 MHz residential subscriber system with 108 forward and eight reverse channels, plus a mid-split institutional network with 50 channels.

The Harbor area is made up of three separate communities: San Pedro, Wilmington and Harbor City. Colony/Harbor's design features a multi-hub configuration with hubs located in each of these communities. In addition, Colony/Harbor is offering three mini-studios for public access in each community.

"We feel this recommendation is an endorsement of the extensive community ascertainment we conducted in the Harbor area," said Colony's planning and government affairs director Michael Isaacs. "Our system design is not only directed at the Harbor area as a whole, but also recognizes the [unique qualities] of each of the three communities that comprise the area."

Colony Communications, Inc., which is headquartered in Providence, Rhode Island, operates cable systems in 49 communities in six states and serves more than 125,000 subscribers. Colony's Dynamic Cablevision subsidiary was recently awarded the franchise for the city of Coral Gables, Florida, and the company's Vision Cable unit was awarded a transfer of the license for the city of Pawtucket, Rhode Island, on September 30.

The next step for the Los Angeles franchise area is scheduled for October 22, when the Department of Transportation is expected to make its recommendation to the Los Angeles City Council. —*Patricia Goldstone*

Notes

TV personality cable MSO

The Los Angeles County Board of Supervisors has voted unanimously to grant an additional cable television franchise to television and film personality Jack Barry, paving the way for Barry's continuing expansion into the cable television field. The new cable system, to be developed as Jack Barry Cablevision, will be the second system for Barry in southern California. The new system will service a region including Baldwin Hills, Ladera Heights and Lennox, joining the existing Jack Barry Cable TV system now serving Playa Del Rey and Westchester under a franchise granted by the city of Los Angeles in 1977. Barry, who, with his partner, Dan Enright, develops and produces many top television game shows, including *Tic Tac Dough*, *Bullseye* and *The Joker's Wild* which Barry also hosts, has become known as the most prominent performer directly involved in the operation of cable systems.

Inkster awarded

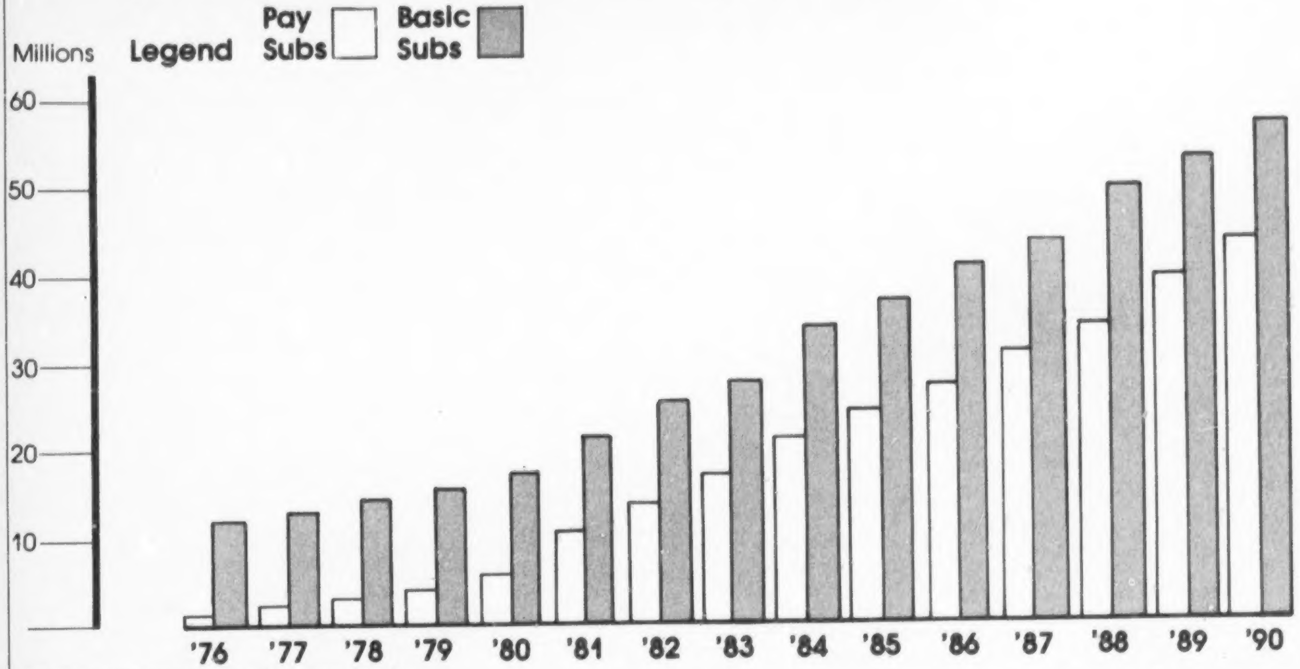
The City of Inkster, Michigan, has awarded the city's franchise to Barden Cablevision of Inkster, Inc. Inkster is the national headquarters of Barden Cablevision, which is the first black-owned cable television company in the state of Michigan to be awarded a franchise. Barden Cablevision is owned by Don H. Barden, a native of Inkster, and has applications pending in Romulus and Pontiac, Michigan, as well as other areas of the Mid-West and West Coast. Barden Cablevision also plans to file several additional applications in the Detroit area.

Recent franchise activity

Date	Franchise	Homes Passed	Status	Award Date
June 1	Vancouver, Washington	60,000	Awarded to Cox Cable	—
July 1981	Fairfield County, Connecticut	120,000	Awarded to Cablevision.	—
Aug 1981	Boston, Massachusetts	242,000	Awarded to Cablevision.	—
Sept 1981	Springfield, Massachusetts	60,000	Awarded to Continental.	—
Oct 1981	Tucson, Arizona	135,000	Awarded to Cox Cable.	—
Oct 1981	Prince George's County, Maryland	100,000	Cable Commission recommended MetroVision and Viacom be awarded the franchise; other applicants included Storer, TCI, United Cross Country, Sammons.	Oct 1981
Oct 1981	Denver, Colorado	216,000	Bids submitted by Mile Hi Cablevision (ATC and Daniels), Teleprompter and United.	Feb 1982
Oct 1981	Milwaukee, Wisconsin	252,000	Bids submitted by Warner Amex, Teleprompter, Milwaukee Cablevision, First Cable of Milwaukee Community Citizens Controlled Cable Co-op, Viacom.	Feb-Mar 1982

Cable stats

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections

Satellite line up

Satcom I (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAL, Dow Jones)	3
Inoperative	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO owned, presently not working	13
Cable News Network	14
Warner Amex owned (RCA message traffic)	15
Showtime, ACSN, National Jewish Television, AETN, Compact Video (4:00 p.m. to 4:00 a.m.)	16
Showtime (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
United Video (7:00 a.m. to noon) Times Mirror (Spotlight, noon to 7:00 a.m.)	19
HBO (Cinemax-east)	20
Landmark (Home Theatre Network during early evening)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IIIR—Projected launch October 1981, 24 transponders, 4/6 GHz
Satcom IV—Projected launch December 1981, 24 transponders, 4/6 GHz
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)	**Transponder**
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word TV Network	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)	**Transponder**
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

SPCC I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
SPCC II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
SPCC III—presently being built

Cable stats

National advertising*

Network/Client	Status
ARTS	
AT&T	New Client
Mobil Corporation	New Client
BET	
Eastman Kodak	New Client
General Foods (JELL-O)	Renewal
Home Box Office	Renewal
Mobil Corporation	Renewal
Reynolds Metals	New Client
ESPN	
Activision	New Client**
Avis	New Client
Campbell Soup	Renewal
Carter-Wallace	Renewal
Coleco	New Client
Federal Express	New Client
Ford (Leasing Division)	Renewal
Fuji Film	Renewal
Home Box Office/Time-Life Books	Renewal
Hillerick and Bradsby	New Client**
Mennen	Renewal
J.C. Penney	New Client
Pentax	New Client
Radio Shack	New Client
Smith Barney	New Client
Subaru	Renewal
Toyota	New Client
True Value Hardware Stores	New Client
Warner Lambert	Renewal
J.B. Williams	New Client
MTV	
S.C. Johnson	New Client
Magnavox	New Client
Memorex	New Client
Nestle	New Client
Pepsico	Renewal
USA Network	
AT&T	Renewal
American Express	Renewal
American Fur Industry	New Client
Britrail	Renewal
Federal Express	New Client
Home Box Office	Renewal
Levelor Blinds	New Client
Magnavox	New Client
Merrill Lynch	Renewal
J.C. Penney	Renewal
Pentax	Renewal
Pepsico	Renewal
Philip Morris (Miller Brewing)	Renewal
Xerox	New Client

*This chart lists national advertising sales by basic cable networks during September 1981. CBN, CNN, MSN, SIN, SPN, TeleFrance and WTBS will appear in next week's issue.
**New to network advertising

Top 25 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	209,000
2.	Long Island, NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	124,300
4.	Manhattan, NY	Teleprompter	120,000
5.	West Orange, NJ	Suburban Cable	114,626
6.	Los Angeles, CA	Theta Cable/ Teleprompter	100,000
7.	Wayne, NJ	UA-Columbia	94,937
8.	Tulsa, OK	United Cable	91,113
9.	Erie County, NY	International Cable	90,961
10.	San Jose, CA	Gill Cable	86,000
11.	Central Islip, NY	Viacom	79,673
12.	Audubon, NJ	Audubon Electronics	79,125
13.	Orlando, FL	ATC	68,550
14.	Toledo, OH	Buckeye	66,907
15.	Wilmington, DE	Rollins Cable	65,600
16.	Austin, TX	ATC	65,295
17.	Grand Rapids, MI	General Electric	63,777
18.	Honolulu, HI	Oceanic Cable/ATC	59,400
19.	San Francisco, CA	Viacom	59,138
20.	Flint, MI	Comcast	57,255
21.	Allentown, PA	Twin County	57,000
22.	Santa Barbara, CA	Cox Cable	54,322
23.	Baton Rouge, LA	Daniels	52,000
24.	San Diego, CA	ATC	51,350
25.	Buffalo, NY	Cablescope	50,254

Top 25 MSOs

Rank	MSO	Subscribers
1.	ATC	1,625,000
2.	Teleprompter	1,533,322
3.	TCI	1,277,000
4.	Cox Cable	1,019,989
5.	Warner Amex Cable	800,000
6.	Storer Cable	750,000
7.	Times Mirror	635,368
8.	Viacom Cablevision	478,443
9.	Continental Cablevision	460,264
10.	UA-Columbia	460,000
11.	Sammons Communications	433,545
12.	United Cable Television	432,112
13.	General Electric Cablevision	275,000
14.	Cablecom-General (with Capital Cities)	260,577 267,444
15.	Telecable	250,000
16.	Midwest Video	239,349
17.	NewChannels (Newhouse)	218,000
18.	Heritage Communications	210,000
19.	Liberty Communications	199,500
20.	Service Electric Cable TV	189,500
21.	Cablevision Systems Development	187,000
22.	Comcast	179,027
23.	Wometco Communications	160,003
24.	Tele-Media	154,000
25.	TCA Group	153,000

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cover 1, p. 4, 47-48, 71-72.

C8920-2

SOLD
Dow Jones
CCI
13

- Dow Jones purchases 25 percent of Continental
- Key executives close to copyright solution
- Spotlight plans nationwide marketing campaign
- General Instrument makes grandiose predictions

CableVision™

The news and features weekly of the cable television industry

November 2, 1981

CVFL20014CON452 5264/2
CONGRESSIONAL INFO SERVICE
452C EAST-WEST HIGHWAY
WASHINGTON DC 20014

Borrow, lend, buy, sell: king a gamble?

CableVision

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CableVision

Cover story

Frank discussions and comments from some of the experts in the financial field representing banks, insurance companies and finance companies. Where do the cable chips fall? Cover photo by Rob Stuehrk. **Page 36.**

Leading the week

What kind of deal has been made between the Copyright Royalty Tribunal and the cable industry? Has Continental gone to market? And what about the violence on TV issue which Ted Turner and the commercial networks are all fired up about? **See pages 13-20.**

Add one third

MCA becomes an equal one-third partner in the purchase and division of USA Network; and in other sports news, another network has been formed in the Chicago area, this one called SportsVision, with Oak as one of the partners. **Page 25.**

Bizarre promos

That's what MTV's director of promotions is interested in doing to attract attention and viewers to his rock 'n roll fantasy. **Page 32.**

A breed apart

Merrill Lynch is 'bullish on cable." The company has begun using its $2 million studio and facilities to produce cable programming and build up its video operations. **Page 48.**

Drop out

ATC has decided that Sacramento, California, is not for it. The company claims that the demands are just too much and has left its local partners on their own. **Page 53.**

At odds

Pluria Marshall, chairman of the National Black Media Coalition, has some strong words to say about the lack of minority representation in the cable industry. **Page 54.**

Hitting home

In a landmark decision, a U.S. Court of Appeals has ruled that copying television programs off the air is a copyright infringement. **Page 59.**

Cablevents

The happenings in the cable world in the upcoming week include an American Bar Association conference on "CATV and the New Technologies"; and the seventh annual satellite communications symposium sponsored by Scientific-Atlanta. **Page 62.**

Cable prophet

Falcon Communications President Marc Nathanson presented ten important commandments for the cable industry. See page 74.

Record levels

General Instrument Board Chairman Frank Hickey makes prediction to Morgan Stanley analyst group

Frank Hickey, chairman of the board, General Instrument, is confident that cable construction will finish the year at a record level.

NEW YORK—Frank Hickey, chairman of the board of General Instrument, told an audience at a recent Morgan Stanley security analysts' meeting that cable construction this year will reach a record level of 100,000 miles in the United States. This includes new-builds and extensions and rebuilds of existing plant. "As the largest supplier of distribution hardware," Hickey believes his company will "benefit considerably by the cable construction."

Hickey said that Jerrold today controls more than a 50 percent share in the subscriber terminal business, roughly the same share the company has in the distribution electronic business. "We are currently shipping in excess of 300,000 terminals per month in converters, converter/descramblers and addressable converter/descramblers."

Jerrold's business this fiscal year reportedly will be comprised of approximately 30 percent in distributing hardware and 70 percent in subscriber terminals. By 1985, Hickey said the proportion is expected to be approximately 15 percent and 85 percent, respectively.

Jerrold entered the CATV terminal business in 1972. Fred Shuh, GI's senior vice president, told the Wall Street audience that the cumulative installed terminal base through December 1980 is estimated at 11,850,000. GI-installed base in this same period is 6,160,000, or approximately 52 percent of the total units shipped during this ten-year period.

Company officials estimate that in 1981 approximately 8,500,000 CATV terminals will be delivered. This, according to Shuh, is equal to 72 percent of all units installed during the previous ten years. This year GI will ship approximately 4,500,000 terminals to the industry. This is reportedly equal to 73 percent of GI's shipments over the prior ten years and represents a current market share of approximately 53 percent.

"We believe that we have more addressable systems, currently 17, installed than anyone else and that we are rapidly overtaking Oak in the number of installed addressable terminals," said Shuh. Furthermore, Shuh announced that the next line of addressable systems from Jerrold will be the addressable version of the 52-channel 400 MHz digital pay terminals. Another new line of GI equipment will be the Jerrold security system now undergoing technical field testing trials in Chuck Dolan's Long Island Cablevision system. Jerrold will begin marketing the security service on a field trial basis early next year. Production deliveries are planned for late 1982.

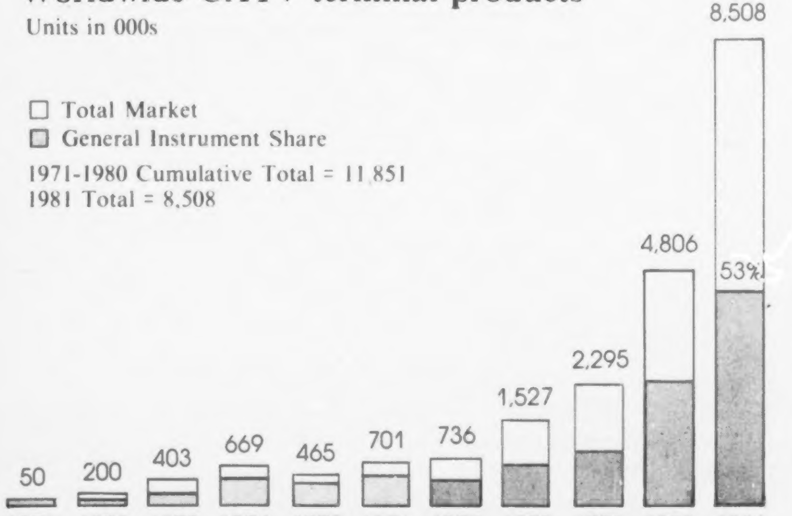
Hickey also indicated that the company intends to participate on a modest scale in the present 4.0 GHz earth station market and to gain a position of leadership in the 12 GHz DBS markets as they unfold in the mid to late '80s.

Commenting on the evolving DBS technology, Shuh said, "I do not believe that the direct broadcast from satellite to home technology is a threat to the cable industry or to our business." DBS, according to Shuh, is more than just an expanded form of STV. "Unlike STV, which must serve a concentrated market to be financially viable, DBS can be cost effective serving remote locations nationwide. This makes it complementary to, not competitive with, cable. However, unlike cable, it is not cost effective in a two-way environment and the number of channels, while substantially greater than a single STV channel, will be much less than available on cable."

GI executives believe that at the end of this decade 15 to 20 million homes, largely in low population density areas, will still not have access to cable TV. It is this market GI has targeted. Shuh said, "GI is making the investment required to participate in this market because we do see it as com-

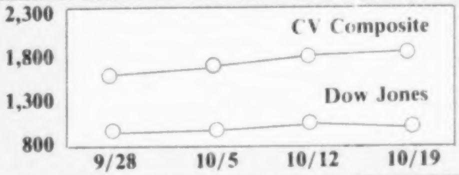
Worldwide CATV terminal products

Units in 000s



Source: General Instrument

Advances	19
Declines	44
Unchanged	9
CV Manufacturers	670.00
CV Operators	687.00
CV Services	372.88



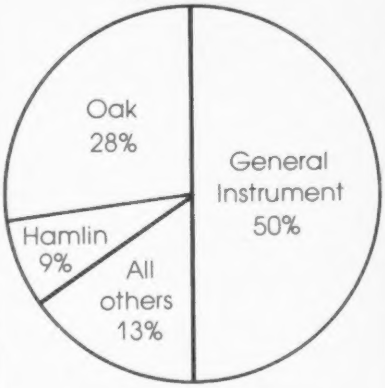
THE MARKET

Company	Stock Exch.	Closing Oct. 19	Closing Oct. 12	Net Change in Period	% Change in Period	1981 High	1981 Low	P/E Ratio
Operating Companies								
Acton	ASE	11⅛	11	+ ⅛	1.14	21⅞	9	10
Adams Russell	ASE	20¼	21⅛	− ⅞	4.14	29¾	17⅝	17
AEL (Am Elec Lab)*	OTC	12⅝	13¾	−1⅛	8.18	20¼	7⅛	12
Central Telephone	NYS	30⅜	30⅜			33⅞	23⅛	8
Comcast A	OTC	20¾	21¾	−1	4.60	27½	17⅜	21
Cox Broadcasting §	NYS	35	33⅞	+1⅛	3.32	39⅛	27⅛	17
General Electric	NYS	55⅛	55⅝	− ½	0.90	69⅞	51⅛	8
Harte-Hanks	NYS	34	34			40¾	28½	12
Heritage Comm.	OTC	11¼	11¾	− ½	4.26	18	9¼	32
Jones Intercable	OTC	6¼	6¼			9⅛	4⅜	57
Multimedia, Inc.	OTC	33¾	33¾			37¼	27	14
New York Times	ASE	31⅛	30⅞	+ ¼	0.81	37¾	26½	8
Rogers Cablesystems B	OTC	6¾	7½	− ¾	10.00	15⅝	6	
Rollins, Inc.	NYS	16¾	16⅜	+ ⅜	2.29	22½	14	10
Storer Brdcstg.	NYS	28¾	30⅝	−1⅞	6.12	43	23¾	16
TCI (Tele-Comm.) A	OTC	19¼	19⅝	− ⅜	1.91	31¼	15⅝	42
Times Mirror	NYS	49¾	47½	+2¼	4.74	58½	39¾	10
UA-Columbia	OTC	88	87¼	+ ¾	0.86	88	55½	65
United Cable TV	NYS	21⅝	21⅞	− ¼	1.14	36	18½	25
Viacom	NYS	27⅝	28¼	− ⅝	2.21	33¼	22	16
Warner Comm.**	NYS	52⅞	50½	+2⅜	4.70	58½	33⅝	16
Westinghouse**	NYS	26⅞	27	− ⅛	0.46	34½	23½	5
Wometco Cable TV	OTC	8⅜	9¾	−1⅜	14.10	16¼	8⅜	24
Wometco Enterprises	NYS	17¾	18⅛	− ⅜	2.07	25¼	14⅝	10
Wrather	ASE	21	22	−1	4.55	29⅜	18⅝	d
Service and Finance Companies								
Allied Artists	OTC	⅛	⅛			¼	⅛	
AM Cable TV*	OTC	8¼	8½	− ¼	2.94	24¾	8¼	21
Am. Edu. TV Network	OTC	1	1¼	− ¼	20.00	4	1	
Avco	NYS	20¼	21⅜	−1⅛	5.26	32⅜	16	4
Burnup & Sims	OTC	14⅛	14	+ ⅛	0.89	17⅞	11½	12
Capital Cities Comm.**	NYS	75	74	+1	1.35	80½	56½	12
Columbia Pictures	NYS	37⅜	38⅜	−1	2.61	45⅜	31½	7
Disney (Walt) Prod.	NYS	50½	51¼	− ¾	1.46	67⅛	43⅜	12
Gulf & Western	NYS	16¾	17⅛	− ⅜	2.19	22⅛	14	4
MCA	NYS	41½	39¾	+1¾	4.40	59	38⅝	7
MGM Filmco	NYS	7⅛	7⅜	− ¼	3.39	12⅞	5¾	12
TeleMine Co.	OTC	3	3⅛	− ⅛	4.00	13	2	
Time Inc.**	NYS	36½	37⅜	− ⅞	2.34	41¼	26⅝	12
Transamerica	NYS	23⅝	22¼	+1⅜	6.18	26¼	17½	6
Turner Broadcasting	OTC	13½	14	− ½	3.57	20	6½	d
Tymshare, Inc.	NYS	24¼	29⅝	−5⅜	18.14	57⅛	24¼	12
Manufacturers and Distributors								
Anixter	NYS	13⅜	15¾	−2⅜	15.08	20⅞	12⅛	11
Arvin	NYS	13⅞	13⅞			18	11¾	7
Augat	NYS	28¼	28½	− ¼	0.88	34⅞	23¾	17
Cable TV Industries	OTC	11	10¾	+ ¼	2.33	18¾	9¼	12
C-COR Electronics	OTC	15	15			21¼	10½	22
Compact Video	OTC	9	9⅜	− ⅜	4.00	24⅜	8⅝	7
Comtech	OTC	3¼	3½	− ¼	7.14	7⅛	2½	d
Contl. Tel.	NYS	17	17¼	− ¼	1.45	19½	14¾	7
Datavision	OTC	3⅜	3½	− ⅛	3.57	7½	2½	d
Eastman Kodak	NYS	65¼	66¼	−1	1.51	85⅜	60⅝	8
Gen. Instrument	NYS	40	39	+1	2.56	42⅞	24¾	13
GTE	NYS	31½	30¾	+ ¾	2.44	32	24½	7
Harris Corp.	NYS	42½	42	+ ½	1.19	60¼	37½	13
Insilco	NYS	18⅛	17⅛	+1	5.84	23⅜	14⅛	7
IVC (Intl. Video)	OTC	⅜	¼	+ ⅛	50.00	⅜	⅛	
M/A-COM, Inc.	NYS	26	26⅛	− ⅛	0.48	35½	20¾	23
Marmon Group/Cerro	ASE	16¾	16⅝	+ ⅛	0.75	20	16⅛	
Microdyne	OTC	14½	14½			33¾	13	16
3M	NYS	51⅝	52⅜	− ¾	1.43	65	48⅛	8
No. Amer. Phillips	NYS	38⅞	39⅞	−1	2.51	59⅝	36⅜	7
Oak Industries**	NYS	30¾	29¾	+1	3.36	38½	21⅛	14
RCA	NYS	17⅜	18⅝	−1¼	6.71	32¼	17⅜	10
RMS	ASE	10⅞	11½	− ⅝	5.43	20	7½	10
Scientific-Atlanta	NYS	27⅞	30¼	−2⅜	7.85	34¾	18⅛	31
Sony	NYS	16½	18⅞	−2⅜	12.58	26⅛	14½	13
Tektronix	NYS	48¾	49¼	− ½	1.02	63¼	45⅛	11
Telemation	OTC	2¼	2¼			3⅜	1¾	
Texscan	ASE	16⅛	16⅜	− ¼	1.53	22½	9⅞	21
Times Fiber Comm.	OTC	18⅞	22	−1⅛	5.11	28⅞	16⅛	23
TOCOM	OTC	10¾	11½	− ¾	6.52	15¼	8¼	d
Wavetek	OTC	10¼	12	−1¾	14.58	21½	10	33

* Also indicates involvement in manufacturing.
** Also indicates involvement in entertainment and/or system operation.
d indicates deficit.
§ 2-for-1 stock split.

CATV terminal products

Market share



Fiscal 1982

Source: General Instrument

plementary both in technology and markets served. We also see this as another important vehicle for continued growth."

GI's second quarter results, according to Hickey, were the best ever. Net income was up 36.4 percent. Primary earnings per share stock were 75 cents, compared to the 62 cents in the same period last year after recognizing the 200 percent stock dividend of July 15, 1981. GI's order of backlog was up 18.6 percent over the second quarter of last year, a record high.

—Hugh Panero

Cable bullish

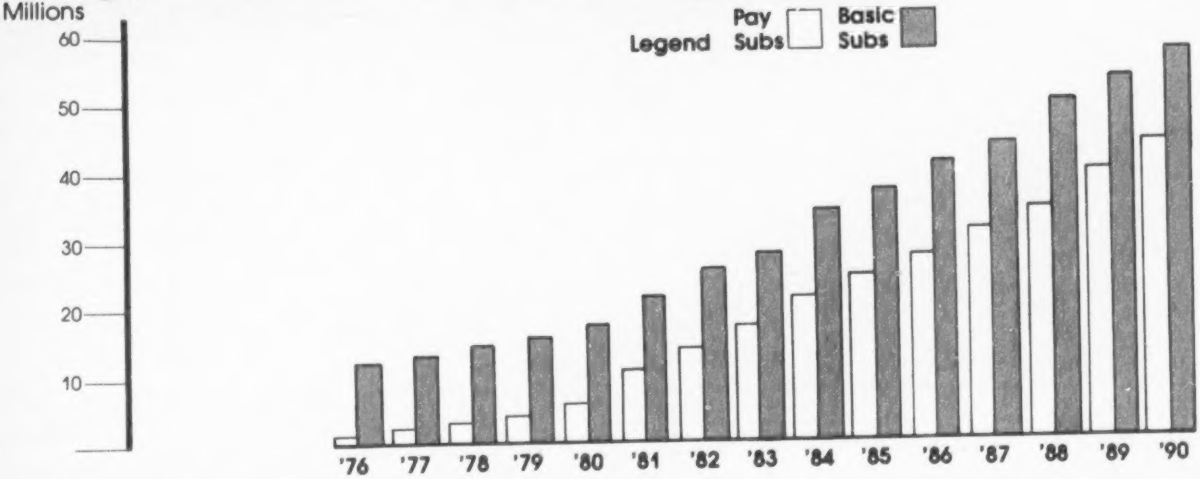
Merrill Lynch ventures into teleconferencing and is gearing for the cable market

NEW YORK—The bull belonging to Merrill Lynch Pierce Fenner & Smith, Inc., has wandered out of the china shop and into a television production studio. The financial services firm is now focusing on the cable market. The company's recent venture into cable programming is one more step in the development of its multimillion-dollar communications network.

"The world of financial services is a complex, information-intensive industry," explained Jeanette Lerman, manager and vice president of the Merrill Lynch Video Network. "So

Cable stats

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections

Film product comparison

Film	Networks					Distributor
A Change of Seasons	HBO					20th Century-Fox
An Enemy of the People			(TMC)		C	Warner Bros.
Advance to the Rear					C	MGM
Alfred the Great					C	MGM
Animalympics		ST*				Film Gallery
The Attic		ST*				Film Gallery
Avanti			TMC			United Artists (UA)
Baby Blue Marine	HBO					Columbia
The Bad and the Beautiful		ST*			C	MGM
The Baltimore Bullet					C*	Avco Embassy
Bear Island	HBO					Selkirk
Between the Lines					C*	HBO
Bhowani Junction		ST			C	MGM
The Big Red One			(TMC)	(HTN)	C*	Lorimar
Big Wednesday					C*	Warner Bros.
The Bitch		ST				Brent Walker
Bite the Bullet	HBO*					Columbia
Black Beauty					C	Alan Enterprises
The Black Stallion				HTN*		UA
The Blue Lagoon	HBO	ST	TMC			Columbia
Bon Voyage, Charlie Brown	(HBO)	(ST)	(TMC)	HTN*		Paramount
Brigadoon		ST*			(C)	MGM
Bruce Lee's Deadly Kung Fu		ST				21st Century
The Bushido Blade	HBO					Trident
Caddie			TMC			Film Gallery
Challenge the Dragon		ST				21st Century
Cheaper To Keep Her			TMC*			Atlantic Releasing
The China Syndrome		ST				Columbia
The Chinese Connection		ST*				Graff
Clair De Femme					C*	Film Gallery
Coal Miner's Daughter	(HBO)	ST*	(TMC)	(HTN)		Universal
Coast to Coast	(HBO)		(TMC)	HTN*		Paramount
Deadman's Float		ST*				Satori
Designing Woman		ST*			(C)	MGM
Don't Go Near the Water		ST				MGM
Double Trouble		ST				MGM
Dressed To Kill					C	Filmways
8½					C	Corinth
Elvis				HTN		Worldvision
Executive Suite		(ST)			C	MGM
Fade to Black	HBO*	ST*	TMC*			Compass Int'l.
Fame	(HBO)	ST*	(TMC)			MGM
Fatso	HBO		(TMC)			20th Century-Fox
The Fiendish Plot of Dr. Fu Manchu		ST*		(HTN)		Warner Bros.
The Fifth Floor		ST				Film Ventures
The Final Countdown	HBO*					FFC
Fist of Fury		ST				Graff
Five Masters of Death		(ST)	TMC			World Northal
Flash and the Firecat			TMC			Paramount
Foxes		ST	(TMC)		C	UA
Foolin' Around	HBO					GLC
Freaky Friday	HBO*		TMC*	HTN*		Disney/Buena Vista
The French Woman					C	Film Gallery
Friday the 13th		ST*	TMC*		(C)	Paramount
From Hell to Victory	(HBO)		TMC			Worldvision
Galaxy Express			TMC			New World
Gilda Live			(TMC)		C	Warner Bros.
Gloria	(HBO)	ST	(TMC)	HTN		Columbia
The Gong Show Movie	HBO*		(TMC)			Universal
Good Guys Wear Black	HBO					AOFP
The Green Horizon		ST				Sanrio
Hangar 18	HBO	ST	(TMC)	HTN*	(C)	Worldvision
Hardcore	HBO					Columbia
The Haunting		ST*			(C)	MGM
Headin' for Broadway	HBO					20th Century-Fox
The Hideaways			(TMC)		C*	Telepictures
Hollywood High		ST				Film Gallery
Home To Stay					C*	HBO
Hopscotch	HBO*		(TMC)		(C)	Viacom
Hot Lead and Cold Feet		ST				Disney/Buena Vista
H.O.T.S.		ST*	TMC			Blum Group
How To Beat the High Cost of Living		ST	TMC		C	Filmways
Humanoids from the Deep		ST*	(TMC)			New World
The Hunter	(HBO)		(TMC)	HTN*		Paramount
Hurray for Betty Boop		ST				Film Gallery
1941	HBO	(ST)		(HTN)		Universal
I Cover the Waterfront					C*	Alan Enterprises
The Immortal Bachelor		ST	(TMC)			K-Pay
In God We Trust	HBO		(TMC)			Universal
It's My Turn	(HBO)	ST*	(TMC)			Columbia
Jailhouse Rock		ST			C	MGM
Jesus			TMC			Warner Bros.
Just Tell Me What You Want	(HBO)		(TMC)		C	Warner Bros.
King of Hearts			TMC			UA
King Solomon's Mines					C*	MGM
The Last Challenge		ST*				MGM
The Last Married Couple In America	HBO					Universal
Last Tango in Paris		ST				UA
Let It Be			TMC*			UA
Little Darlings	(HBO)	ST*	(TMC)			Paramount
The Little Dragons		ST				SMA
Little Miss Marker			(TMC)	HTN*		Universal
The Long Riders	HBO	(ST)	TMC			UA
The Longest Yard		ST	TMC			Paramount
Loving Couples	HBO*					HBO
Magee and the Lady			TMC			Simcom
The Man Who Loved Bears					C*	Stouffer
Manhattan					C	UA
Massacre at Central High			TMC			Viacom
Meteor					C	HBO
The Mirror Crack'd	HBO					EMI
The Money Trap		ST				MGM
Mulefeathers		ST*				Gold Key
My Bodyguard		ST	(TMC)	(HTN)	(C)	20th Century-Fox
My Brilliant Career		ST*	TMC			Analysis

Cable stats

Film	Networks					Distributor
The New Land					C*	Warner Bros
North Avenue Irregulars		ST*				Disney/Buena Vista
Nothing Personal	HBO*					Filmways
The Nude Bomb			(TMC)	HTN*		Universal
On the Town		ST*			C*	MGM
Ordinary People	HBO	ST	TMC			Pararnount
Pete's Dragon	HBO	(ST)				Disney/Buena Vista
The Pilot	(HBO)		TMC	HTN		Atlantic
The President's Mistress					C*	HBO
Private Benjamin	(HBO)	ST*	(TMC)			Warner Bros
The Private Eyes	HBO					Private Eye Company
Rascal Dazzle		ST*				Castle Hill
Raw Deal			TMC			Electric Releasing
Resurrection			(TMC)	HTN*	(C)	Universal
Revenge of the Mysterons From Mars		ST*				ITC
The Rip Off			(TMC)		C*	Worldvision
Road Games			TMC			Avco Embassy
Roadie			(TMC)		C*	UA
Rock, Rock, Rock			TMC			Castle Hill
Roller Boogie	HBO				(C)	Compass Int'l.
Rough Cut	HBO*	ST	(TMC)	HTN*		Paramount
Rush It		ST*				Viacom
Saturn 3	(HBO)	ST*	(TMC)			AFD
Scavenger Hunt			TMC	HTN*		20th Century-Fox
Seven Blows of the Dragon			TMC			New World
The Sheepman		ST*			(C)	MGM
Shimmering Lights			TMC		(C)	Simcom
Singin' in the Rain		ST*			(C)	MGM
Sir Gawain and the Green Light					C*	UA
Snake Fist Fighter		ST*				21st Century
Snake Fist Vs. the Dragon		ST*				21st Century
Something of Value		ST				MGM
Somewhere in Time	HBO*	(ST)	(TMC)	HTN		Universal
Son of Monte Cristo					C	Alan Enterprises
Stardust Memories			(TMC)		C*	UA
Steel				HTN		World National
Stone Cold Dead		(ST)	TMC		(C)	Samuel Goldwyn Co
Stranger in the House					C*	Warner Bros
Sunday Lovers	HBO		TMC			MGM
Superdome			TMC			ABC Pictures
Superman The Movie		(ST)	(TMC)	HTN		Warner Bros
Swept Away					C	Cinema 5
Terror Train			(TMC)		C*	20th Century-Fox
The 39 Steps	HBO*					Rank
Three Warriors	HBO				(C)	Zaentz
Time After Time		ST		HTN	C	Warner Bos
Times Square	HBO*		TMC*			AFD
The Tin Drum		(ST)	TMC			New World
Tom Sawyer					C	UA
Tourist Trap			TMC		(C)	Satori
Tuck Everlasting		(ST)	TMC		(C)	N. Babbitt
Visit to a Chief's Son					C*	UA
Viva Las Vegas		ST				MGM
The Water Babies		(ST)	TMC			SMA
When a Stranger Calls		ST*	TMC			Viacom
Why Shoot the Teacher?			TMC			Film Gallery
Why Would I Lie?				HTN		MGM
White Water Sam	(HBO)	ST*				K. Larson Ltd
Willie and Phil			(TMC)		C	20th Century-Fox
Wise Blood		(ST)			C	New Line Cinema
Wonderful Crook					C*	Film Gallery
Woodstock			TMC		C	Warner Bros
The World's Greatest Athlete			TMC			Disney/Buena Vista
Xanadu			(TMC)	HTN*		Universal
Young and Free		ST			C*	Manson
The Young Pioneers			TMC			ABC Pictures
Young Joe, The Forgotten Kennedy			TMC			ABC Pictures
Zero to Sixty					C	Samuel Goldwyn Co

- **Cable Network Legend**

  HBO—Home Box Office
  ST—Showtime
  TMC—The Movie Channel
  HTN—Home Theater Network
  C—Cinemax

- Networks in parentheses indicate carriage in June, July, August, September and/or October

- An asterisk following a network indicates the film is a carry-over from June, July, August, September and/or October.

- In total, 173 different titles appear on the October schedules of HBO, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles during the last six months (June-October 1981), one title ("Hangar 18") has been shown on all five networks, five have appeared on four networks, 25 on three, and 47 on two of the networks. Ninety-five films are unduplicated.

- The motion picture distributor to pay cable with the most titles featured this month is MGM (22), followed by United Artist (13) and Warner Brothers (12).

- "Ordinary People," 1980's Academy Award-winner for Best Film, captures the program guide prize on the October covers of HBO, The Movie Channel, Showtime and Cinemax. However, "Ordinary People" shares the cover prize with "The Blue Lagoon" on Showtime, and both films share the Cinemax cover with "Manhattan" and "Standing Room Only: Sherlock Holmes." Going for outside shots this month, Home Theater Network features "Touched By Love" on its bi-monthly guide (November-December).

National advertising*

Network/Client	Status
CNN	
AT&T	Renewal
Ace Hardware	Renewal
Allen Products (Alpo)	Renewal
Aloe International	New Client**
American Fur Industries	New Client
Avon Books	Renewal
Basic Four Computers	New Client**
Campbell Soup	Renewal
CSX Corporation	New Client**
D-Con	New Client
Days Inns	New Client
Ford (Lincoln-Mercury)	Renewal
Ford(Auto Leasing)	New Client
General Foods	Renewal
Hartford Insurance	New Client
Home Box Office	Renewal
Libman Broom	Renewal
Nabisco	Renewal
Schering-Plough	Renewal
Sharp Electronics	Renewal
Shell Oil	Renewal
Tog Shops	New Client**
20th Century-Fox	Renewal
Christian Media Network	
Amana	New Client
Foreman & Clark Clothiers	New Client**
Hobart (Kitchenaid)	New Client
Time-Life Books	New Client
Word Records	New Client**
MSN	
Black & Decker	New Client
Ocean Spray	New Client
SCM (Proctor-Silex)	New Client
Scott Paper	New Client
Weight Watchers	New Client
SPN	
Aer Lingus Airlines	New Client**
Allied Irish Bank	New Client**
Attenzione Magazine	Renewal
Dow Jones (Wall St. Journal)	Renewal
Esquire Video Cassettes	New Client**
Il Progresso	Renewal
Irish Tourist Board	New Client**
Kuwait Air Lines	New Client**
Newsweek	Renewal
Peugeot	Renewal
Urban General	New Client
SIN	
Coca Cola	New Client
Johnson & Johnson (Personal Products Division)	Renewal
H.J. Heinz (Ore Ida Foods)	Renewal
TeleFrance USA	
Air France	Renewal
American Fur Industries	New Client
Chanel	Renewal
Daniel Flechter Clothes	Renewal
Elf-Aquitaine Oil	Renewal
Exxon	New Client
French Vogue	Renewal
Home Box Office	New Client
Metropolitan Life	Renewal
Peugeot	Renewal
Remy-Martin	Renewal
Revlon	Renewal
Travelers Insurance	Renewal
WTBS	
Anheuser-Busch	Renewal
General Mills	New Client
Kellogg's	Renewal
Levi Strauss	New Client
Mattel	New Client
Mego Toys	Renewal
Nature's Pharmacy	New Client**
Ohio Art	New Client
Quaker Oats	New Client
Texas Instruments	New Client
Toyota	Renewal
Wang	New Client

*This chart lists national advertising sales by basic cable networks during September 1981. Last week's "Cable stats" on national advertising covered ARTS, BET, ESPN, MTV and USA Network.
**New to network advertising.

1 C 8920 . 2

- CBS submits California franchise proposal
- Battle lines drawn over copyright compromise
- RCA Americom announces November lease auc
- PlayCable to launch in New York metro area

CableVisio

The news and features weekly of the cable television industry

November 9, 198

Variety and Similarity
Continuity and Change
CKY CKEY BZ

Cable education:
A passing grade?

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CableVision Volume 7, Number 10. November 9, 1981

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CableVision
Cable education:
A passing grade?

Cover story

Educational organizations are beginning to grip cable's potential, but concerns are taking shape over how far and strong the movement wil be. As *CableVision* assistant editor Simon Applebaum reports, participants on both sides of the classroom have much to teach each other before they give lessons to the public by wire. **Page 40.**
Cover photo by Rob Stuehrk.

Leading the week

The copyright compromise negotiations have caused angry reactions from resale common carriers and some operators of mid-sized systems; RCA Americom has announced a November 9 lease auction; and PlayCable prepares its launch in the New York metro area. **Pages 13-17.**

Programming potential

20th Century-Fox has optioned a potential series made exclusively for cable. Whether the program will run on a cable network is still up in the air, but Fox officials appear confident; and while the Dodgers and Yankees fight it out on the baseball field, three cable services do the same with World Series programming. **Pages 20-25.**

One up, one down

The cable guide publishing business is a tenuous one as indicated by the termination of one guide while another company prepares a separate publication. **Page 29.**

Sports wrinkles

A 13-year veteran in providing programming to cable, Madison Square Garden Communication-Network proves it is a champion of the cause, as it prepares to enter the recently activated sports-on-cable splurge. **Page 31.**

Cable pledge

As the FCC ruled last summer that CBS could enter the cable ownership fraternity, the broadcast giant quickly moved into entering the franchising party with its bid in Alameda, California. **Page 49.**

Bird bumping

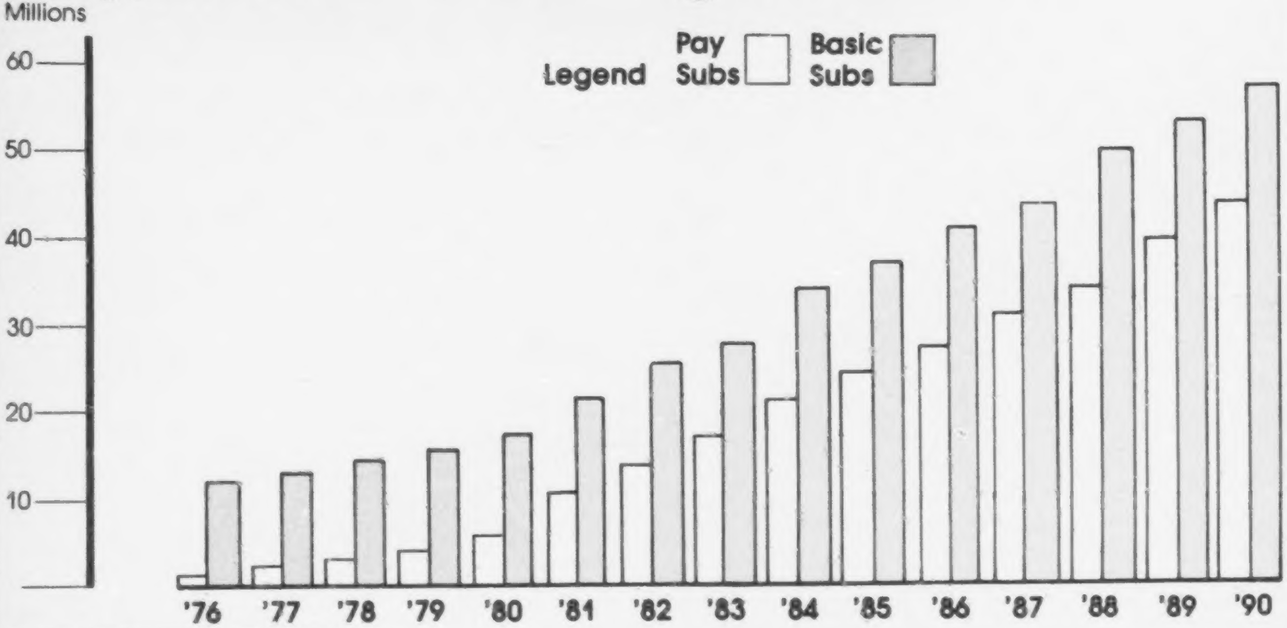
Southern Satellite Systems has filed a legal action against RCA Americom attempting to retrieve its right to a transponder on Cable Net Two; plus FCC commissioner Joseph Fogarty sounds off on proposed commission budget cuts. **Page 50.**

Making a move

Realizing that narrowcasting is the way to go in terms of programming and finding an audience, Viacom is offering its first show aimed at an "upscale viewer." **Page 59.**

San Francisco Mayor Dianne Fienstein tries a T-shirt for size at conference announcing the five-mile race sponsored by Home Box Office November 1 to help save the city's historic cable cars. The event was open to runners, joggers, walkers, Bay Area residents, visitors and others interested in saving the cars. "It is ironic and significant that the pioneering industries of the 1980s, pay cable TV, are triggering an effort to help save an industry of the 1980s," the mayor said.

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections.

Top 100 MSOs

Rank	Multiple System Operator	Subscribers
1.	ATC	1,625,000
2.	Teleprompter/Westinghouse	1,533,322
3.	TCI	1,277,000
4.	Cox Cable Communications, Inc	1,019,989
5.	Warner Amex Cable Communications, Inc	800,000
6.	Storer Cable Communications	750,000
7.	Times Mirror	635,368
8.	Newhouse Broadcasting (includes NewsChannels, MetroVision and Vision Cable)	528,981
9.	Viacom Cablevision	494,793
10.	UA-Columbia	467,544
11.	Sammons Communications, Inc	433,545
12.	United Cable Television Corporation	432,112
13.	Continental Cablevision, Inc	410,000
14.	General Electric Cablevision Corporation	276,000
15.	Cablecom General/Capital Cities	268,577
16.	TeleCable Corporation	264,000
17.	Midwest Video Corporation	239,349
18.	Heritage Communications	210,000
19.	Liberty Communications	208,298
20.	Cablevision Systems, Development (includes Cablevision of Chicago)	206,000
21.	Service Electric Cable TV, Inc	189,500
22.	Comcast Corporation	186,392
23.	Wometco Communications, Inc	180,000
24.	Century Communications	162,000
25.	TCA Group	155,000
26.	Tele-Media Corporation	154,000
27.	Western Communications, Inc	146,399
28.	MacLean Hunter (includes Metro, Suburban and Wayne Cable)	143,451
29.	Daniels & Associates, Inc	140,000
30.	Colony Communications, Inc	131,459
31.	Jones Intercable, Inc	124,341
32.	Prime Cable	121,000
33.	Rollins Cable Vue, Inc	105,000
34.	Harris Cable Corporation	101,222
35.	Centel Communications	99,296
36.	Harron Communications Corporation	89,093
37.	Tribune Company Cable	87,457
38.	Multimedia Cablevision, Inc	85,000
39.	Communciations Service, Inc	84,248
40.	Buckeye Cablevision	82,777
41.	Cable Vision Industries	82,000
42.	Armstrong Utilities (includes Armstrong Communications Corporation, National Cable TV Corporation and North Landerdale Cablevision	80,471
43.	Plains Communications, Inc	80,000
44.	Multi-Channel TV Cable Company	75,000
45.	McDonald Group	72,679
46.	Cablentertainment	69,067
47.	Palmer Communications, Inc	67,672
48.	Adams-Russell Company	65,000
49.	Aida Group	63,470
50.	King Videocable Company	63,145
51.	Perry Cable TV Corporation	62,000
52.	Omega Communications, Inc	57,000
53.	Summit Communications	56,013
54.	Buford Television, Inc	55,283
55.	Omni Cable TV Corporation	55,000
56.	Televents, Inc	53,787
57.	WEHCO Video, Inc	53,000
57.	Booth Communciations	53,000
59.	National Telecommunications Company	52,100
60.	Southern Oregon Cable TV	52,000
61.	Pencor Services, Inc	50,340
62.	The Essex Group	47,500
63.	U.S. Cablesystems	47,000
64.	Communications Systems, Inc	45,172
65.	US Cable Corporation	45,000
66.	Cable America	44,000
67.	Sonic Cable TV	43,642
68.	Clear TV Cable Corporation	43,000
68.	Falcon Communications	43,000
70.	UltraCom Inc	42,754
71.	Coaxial Communications	42,000
72.	Adelphia	41,828
73.	American Cable TV	40,640
74.	Susquehanna Broadcasting	39,000
75.	Lenfest Group	38,800
76.	Acton Corporation	38,398
77.	McCaw Communications	36,695
78.	Nor-Cal Cablevision Inc (McClatchy-Viacom)	36,109
79.	The Daily Press	36,000
80.	Cable TV of Puget Sound	35,000
80.	Consolidated Cable Systems	35,000
80.	Greater Media	35,000
83.	Total TV, Inc	33,734
84.	Cross Country Cable	33,000
85.	Oak Communications	32,644
86.	Gans, Joseph S.	32,000
87.	Six Star Holding Company	30,000
88.	Cable Holdings, Inc	28,000
89.	Hellicon Corporation	27,551
90.	Commonwealth Cable of Massachusetts	27,000
91.	Selkirk Communications	26,080
92.	Fetzer Cablevision	26,000
93.	Lawrence Flinn Jr	25,578
94.	Midcontinent Cable Systems	25,000
95.	Kamack Corporation	24,686
96.	Gulf Coast Cable TV Ltd	24,548
97.	Gerity Cablevision	24,250
98.	Potomac Valley TV Company	24,089
99.	Columbia Communications Corporation	23,655
100.	Harmon & Company	23,000

Satellite line up

Satcom I (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAL, Dow Jones)	3
Inoperative	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO owned, presently not working	13
Cable News Network	14
Warner Amex owned (RCA message traffic)	15
Showtime, ACSN, National Jewish Television, AETN, Compact Video (4:00 p.m. to 4:00 a.m.)	16
Showtime (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
United Video (7:00 a.m. to noon) Times Mirror (Spotlight, noon to 7:00 a.m.)	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network during early evening)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IIIR—Projected launch November 19, 1981, 24 transponders, 4/6 GHz
Satcom IV—Projected launch January 12, 1982, 24 transponders, 4/6 GHz
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)	**Transponder**
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Robert Wold Company/Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word Television Network/occasional video services	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)	**Transponder**
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3), Pop Network (3), SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Franchising in the top 50

Rank	**Market**	**Status of Core City**
1.	New York	Manhattan-OP/four unwired boroughs-FP
2.	Los Angeles	City is divided into seven parts (1 OP/3 FG/3 FP)
3.	Chicago	BP
4.	Philadelphia	City is divided into four parts (1 OP/3 FP)
5.	San Francisco	OP (system to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas-Ft. Worth	FG-one for each city
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/	FP
14.	St. Louis	BP
15.	Seattle/Tacoma	City is divided into four parts (2 OP/1 FC/1 BP)/, Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/ St. Petersburg	BP/OP
19.	Baltimore	BP
20.	Denver	FP
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/ Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into two parts (1 OP/1 FG)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/ New Bedford	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FC
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/ Battle Creek/ Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/ Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	OP
43.	Charleston/ Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/ Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/ Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/ Schenectady/ Troy	Three systems-OP
50.	Dayton	OP

Legend:
OP—operational
FG—franchise granted
FP—franchise pending
BP—beginning process
LNA—little or no action

Based on chart from the National Cable Television Association report on cable franchising.

C 8920 -2

- Tom and Ted still at odds over compromise
- FCC tackles cable cross-ownership rules
- Satcom III-R launch still up in the air
- Supersonics predict lucrative lease channel seas

CableVision

The news and features weekly of the cable television industry November 16, 19

Cable's Target Audiences: Advertisers Getting the Message

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CableVision

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CableVision
Cable's Target Audiences: Advertisers Getting the Message

Cover story

It is rapidly becoming apparent that advertising on cable is a vital component to cable's financial existence, but advertisers and agencies alike question whether it is time to make a commitment and create commercials geared specifically for cable viewers. **Page 36.**

Cover photo by Rob Stuehrk

Frantic face-off

Letters from NCTA's Thomas Wheeler, CATA's Steve Effros and TBS's Ted Turner elucidate their respective positions on the copyright issue. **Page 13.**

A cable sequel

The Federal Communications Commission revisits numerous cross-ownership rules and may initiate new proceedings. **Page 14.**

Up in the air

RCA Americom has watched the launch of the space shuttle closely, wondering if their own launching may also be delayed. **Page 17.**

Hotel home movies

Home Box Office has met with large success in its hotel/motel marketing campaign which has in turn prompted the company to begin offering Cinemax as well. **Page 26.**

Advocating outlet

Mobil Oil Corporation gets a national cable showcase for its advocacy campaigns at last. Providing the outlet: ABC Video Enterprises's ARTS channel. **Page 29.**

Cooperative effort

Anixter-Pruzan and Hamlin International have announced a cooperative sales and marketing agreement to especially highlight Hamlin's new addressable converter. **Page 30.**

On guard in Queens

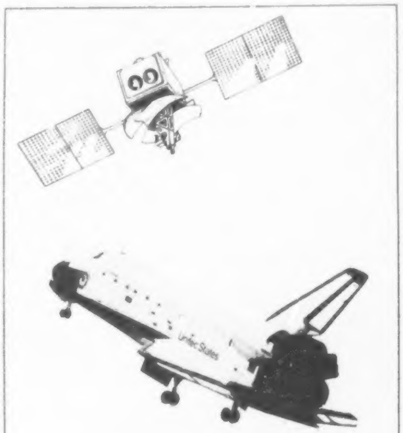
Some of the smaller cable hopefuls in the Queens franchise campaign have been hurt by Arnold & Porter's report labeling them as high financial risks. **Page 43.**

Legislative linchpin

The long-awaited report on competition in the telecommunications industry has been released by the staff of the House Communications Subcommittee to be used for the legislative rewriting of the common carrier portions of the 1934 Communications Act. **Page 44.**

Ratings Race

Evening newscasts are becoming just as much of a horse race in recent months as prime time. Some recent data from Nielsen and an analysis from Leo Burnett attempt to explain why. **Page 50.**



If all goes well for both sides, the space shuttle may be jockeying for air space, or rather, space space, with Satcom's III-R, also scheduled to be launched soon. See page 17.

Leading the week

Open door policy

The FCC grants rural telco exemption, further relaxation anticipated on the horizon

WASHINGTON—At a Federal Communications Commission meeting last week, the staff of the Office of Plans and Policy (OPP) presented a study that recommended elimination of significant portions of the cable television cross-ownership restriction. During the same session, the commission also created an exemption to the telco/cable cross-ownership prohibitions for specific rural areas.

The OPP recommendations were based on the conclusion that television markets "are workably competitive" and that the benefits of the restrictions "are exceeded by the cost." Specifically, the OPP staff suggested that: the cable/television station cross-ownership restriction "should be lifted to allow firms to organize themselves in the most efficient manner"; the network/cable cross-ownership restrictions "hinder the development of cable programming" and should be removed; and the telco/cable cross-ownership prohibition should be retained "for the time being." The report also stated that there was no need at the present time to limit the number of systems or subscribers that one cable company can garner, and that separation requirements should not be imposed on cable systems unless "cable becomes the dominant provider of video."

The report will now be open to public comment for a 30-day period before any further action is taken. However, the commissioners indicated that they basically agreed with the recommendations.

"We are very much in an unregulatory mood," said Chairman Mark Fowler. "If this commission doesn't do it [abolish many of the restrictions], I don't think that another might."

The recommendations were not regarded as surprising by many industry representatives. The FCC has given indications for several months that the restrictions would be relaxed. Specifically referring to the network/cable cross-ownership suggestion, Stephen Effros, executive director of the Community Antenna Television Association, said, "The networks are in cable now anyway."

But the conclusion that television markets are "workably competitive" contradicts the findings of the House Subcommittee on Telecommunications, Consumer Protection and Finance (see "Government and law," p.44). The majority staff of the subcommittee released its own report last week, concluding that competition in television markets was only "emerging." In the words of chief staff counsel David Aylward, "It ain't there yet."

"It's interesting that their [the FCC's] findings are different than the House subcommittee," said Effros. "That's something that will have to be reconciled."

Although the changes in the cross-ownership prohibitions are still in the formative stages, the FCC unanimously ordered an exemption for telco/cable cross-ownership in rural areas. This move was also not a surprise to industry observers who had expected it for some time; however, the definition of "rural" that the commission chose to adopt was a shift from previous policy.

In determining what is a rural area, the FCC employed the definition used by the U.S Bureau of Census. According to the bureau, a rural area is one that is outside of: (a) places of 2,500 inhabitants or more, incorporated or unincorporated, and (b) any other territory incorporated or unincorporated included in an urbanized area. To further explain the definition, according to the bureau an urbanized area is "an incorporated place and the surrounding densely settled areas that together have a combined population of at least 50,000."

Before the ruling, a telco could wire its service area for cable if the area had fewer than 30 homes per route mile and no cable companies were willing to provide the service. A waiver of the FCC's telco/cable cross-ownership provision was also required

Under the policy approved last week, in order to serve a rural area, a telco, once granted the franchise, only needs to file a tariff application for extension of its lines with the FCC. Interested parties then have 30 days to state why the telco's cable plans were not in the public interest. The telco needs no waiver. The rule change does not not affect areas that are not defined as "rural."

According to the commission, the rule change would solve ten of 13 pending requests by telcos for waivers to wire rural areas. —*David Price*

Satellite scramble

RCA Americom watches with nervous anticipation as the space shuttle experiences delays in launch

NEW YORK—NASA executives were not the only space pioneers dismayed when the countdown clock at Cape Canaveral stopped at T-minus 31 seconds, scrubbing NASA's launch of the space shuttle. RCA officials were concerned that further delay in this week's launch of the second Columbia space trip could spell additional trouble for RCA Americom, which is already beseiged with legal and launch pad problems. While RCA spokesman John Williamson says it is too early to tell whether the Satcom III-R launch will be delayed, it was generally assumed that unless the Columbia is launched this week, the November 19 launch of Satcom III-R may have to be postponed.

As NASA engineers were trying to figure out how to fix Columbia's auxiliary power unit failure, RCA crews were experiencing additional snags in their operation. Unconfirmed

Major cable programmers with transponder ownership

Company	Total	Breakdown
Westinghouse	14	10 Westar/4 Galaxy
Time Inc.	14	6 Satcom/2 Comstar/6 Galaxy
Viacom/Showtime	7	4 Satcom/1 Comstar/2 Galaxy
SSS	5	1 Satcom/1 Westar/3 Spacenet
WASEC	5	4 Satcom/1 Comstar
SIN	4	1 Westar/1 Comstar/2 Spacenet
Turner Broadcasting	4	1 Satcom/1 Westar/2 Galaxy
Landmark Communications	3	1 Satcom/2 Spacenet
Times Mirror	3	1 Satcom/2 Galaxy
United Video	3	2 Satcom/1 Spacenet
ESPN	2	1 Satcom/1 Comstar
CBS Cable	1	Westar
ABC	1	Westar
CBN	1	Satcom
PTL	1	Satcom
Reuters	1	Satcom
National Christian Network	1	Comstar
Trinity Broadcasting	1	Comstar

reports indicated that Satcom III-R's wave guide mechanism had been damaged during equipment loading. RCA would not elaborate on the extent of damage except to say "there was a small assembly problem, but it has been fixed."

RCA Americom officials, who are headed for Sotheby's this week where the company will auction leases for seven Satcom IV transponders (2, 3, 4, 11, 15, 16 and 23), appeared to be more concerned about the legal issues surrounding the company than the launch pad. RCA's decision to take four high-power transponders (3, 11, 15 and 23) and auction them for a presumably higher price than the rest brought protests from Warner Amex Satellite Entertainment Company.

At week's end, WASEC had filed a complaint with the FCC claiming that RCA Americom was in violation of section 201 (A) and 201 (B) of the Communications Act by unlawfully refusing to assign WASEC to transponder 11 on Satcom IV as the replacement for its Comstar D-2 transponder 6V. WASEC further states that it is entitled to the Satcom IV berth when the present traffic on Cable Net Two switches to Satcom IV. The entertainment company claims that the auction of transponder 11 to a third party would constitute a breech of the commitment RCA Americom made to WASEC with respect to the transponder in question.

Officials at WASEC will be among the 50 programmers on hand for the Sotheby auction. New as well as old faces will be bidding for the right to one or more of the seven transponder slots. Group W Satellite Communications, USA Network and Satellite Syndicated Systems confirmed they would be active participants in the bidding. ESPN, Viacom and SIN all said they would be represented and hinted they may join the bidding pool. Turner Broadcasting will not be taking part in the auction, and spokespeople for HBO, CBS Cable, ABC Video Enterprises and RCTV all declined comment on their auction plans.

—*Hugh Panero*

Board says go for it

NCTA will pursue compromise on copyright, but the directors' narrow vote is hardly a mandate

WASHINGTON—At a special meeting called last week by chairman Al Gilliland, the Board of Directors of the National Cable Television Association narrowly voted 15 to 11 to continue negotiating a copyright compromise with the National Association of Broadcasters and the Motion Picture Assocation of America.

The meeting was set up after the board met with considerable opposition to NCTA negotiators' apparent willingness to agree to reimposition of syndicated exclusivity in most markets. What the negotiators had secured in return was a handshake from the other parties on the retention of compulsory license and what amounted to a slight fee reduction.

The NCTA's leadership had entered into the negotiations with the assumption that there were sufficient votes in the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, which handles copyright, to do away with the compulsory license established by Congress in the Copyright Revision Act of 1976.

At a briefing following the board meeting, Gilliland said that there was sentiment against that compromise but that the 15 to 11 vote was a continuing expression of where the industry has always been on copyright. "There is no reason to believe that we could ever have 100 percent unanimity," Gilliland said, "but, I doubt that the losers will lobby against a bill if we should get one."

Nevertheless, opposition continued to mount against the proposal, although more than half of the association's board was willing to go along with the strategy, providing certain "caveats" were adhered to. One observer noted that the votes of the four board members who were unable to attend the meeting likely would have cancelled each other out.

Some of the board members who expressed dissatisfaction with the NCTA's approach did say they would continue to oppose the plan, but the most vocal opposition was still coming from the Turner Broadcasting System, which sees the compromise as a serious threat to the future of superstation WTBS and the 24-hour news channel, CNN.

TBS president, Ted Turner, was allowed to address the board briefly and express his concern that the compromise, if passed into law, would put him out of business. During the past year, Turner said he had invested $38 million in programming to be shown on WTBS and distributed nationwide to cable systems via satellite.

According to NCTA president, Tom Wheeler, it was out of respect for Turner's contributions to the industry and the position the compromise might temporarily put him in that the board established one of its caveats. The caveat dictates that the industry receive a reasonable time frame for adequate implementation of any new plan.

"The board stands in support of Ted Turner," Wheeler siad. "They want to see WTBS remain an important component of cable's programming mix."

John Saeman, Daniels & Associates, a member of the board's execu-

Cable stats

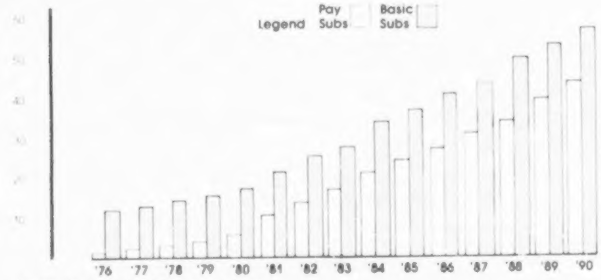
Educational provisions in recent franchising activity

In line with last week's cover story on education and cable (11/9/81, p. 40), "CableVision" has included here a run-down of various large- and medium-sized municipalities requesting educational provisions and how the cable companies bidding on (or who have won) the franchises have responded to the requests.

Franchise Area	Educational Provisions in RFP	Educational Provisions Offered by Winner	Dollars Offered for Ed. Programming	Award Date
Vancouver, WA (60,000 homes, Cox-winner)	One educational channel; system "must be responsive to city's public library, hearing-impaired and educational consortium."	Four educational channels, access to three studios in city, AETN and ACSN.	$202,000 in equipment and training costs.	June 1981
Fairfield County, CT (120,000 homes, Cablevision of Connecticut-winner)	No educational channels requested since county did not issue an RFP, used direct application.	Original proposal called for one educational access channel, educational programming on LO channel and Nickelodeon; upgrade calls for two additional educational access channels.	Not set at this time.	July 1981
Boston (242,000 homes, Cablevision Systems-winner)	Minimum of four access channels (did not specify how many for education) plus "ample range of educational services."	Four educational channels on 52-channel basic package (two for lower grades, high school and college; two for Nickelodeon/AETN and LO).	$404,000 studio for mostly educational production and use of other system facilities.	August 1981
Springfield, MA (60,000 homes, Continental Cablevision-winner)	Three educational channels (one for elementary schools, one for secondary levels), also production studio at city high school.	Three educational access channels plus five other access channels, also ACSN, AETN and local PBS station on basic.	$250,000 access facility.	September 1981
Brockton, MA (35,000 homes, Continental Cablevision-winner)	Minimum of two educational access channels, use of specialist for educational communication use, five percent of gross to access company and some educational program funds.	Two educational access channels plus continuing educational channel, ACSN and AETN on basic.	Portion of local funds going to educational productions.	October 1981
Tucson (135,000 homes, Cox-winner)	No educational channels requested.	Fifteen educational/LO channels (four for elementary and high school, three for local colleges and three for University of Arizona).	$161,000 for equipment and INDAX converters, $190,000 for programming and $120,000 for bi-lingual programming.	October 1981
Prince George's County, MD (200,000 homes, two franchise areas of 100,000 each)	One educational access channel, one leased access and public access channel (requested by educational consortium—University of Maryland, Bowie State, Prince George's and Community College).			November 1981
Denver (216,000 homes)	Five educational access channels (two higher education, two for lower and one for public library), a program origination facility and non-studio production capability.			February 1982
Milwaukee (252,000 homes)	Minimum of one educational access channel and must "provide advice and technical expertise."			First Quarter 1982

Pay/basic cable subs

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,204,000	28	11,102,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1



Figures for 1981-1990 are projections

Top 30 systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	209,000
2.	Long Island, NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	124,300
4.	Manhattan, NY	Teleprompter	120,000
5.	West Orange, NJ	Suburban Cable	114,626
6.	Los Angeles, CA	Theta Cable/ Teleprompter	100,000
7.	Wayne, NJ	UA-Columbia	94,937
8.	Tulsa, OK	United Cable	91,113
9.	Erie County, NY	Prime Cable	90,961
10.	San Jose, CA	Gill Cable	86,000
11.	Central Islip, NY	Viacom	79,673
12.	Audubon, NJ	Audubon Electronics	79,125
13.	Orlando, FL	ATC	68,550
14.	Toledo, OH	Buckeye	66,907
15.	Wilmington, DE	Rollins Cable	65,600
16.	Austin, TX	ATC	65,293
17.	Grand Rapids, MI	General Electric	63,777
18.	Honolulu, HI	Oceanic Cable/ATC	59,400
19.	San Francisco, CA	Viacom	59,138
20.	Flint, MI	Comcast	57,255
21.	Allentown, PA	Twin County	57,000
22.	Santa Barbara, CA	Cox Cable	54,322
23.	Baton Rouge, LA	Daniels	52,000
24.	San Diego, CA	ATC	51,350
25.	Buffalo, NY	Cablescope	50,254
26.	Harrisburg, PA	Sammons	50,204
27.	San Rafael, CA	Viacom	46,286
28.	Monterey, CA	Western Communications	46,189
29.	Reading, PA	ATC	45,200
30.	Seattle, WA	Viacom	43,897

Recent franchise activity

Date	Franchise	Homes Passed	Status	Award Date
June 1981	Vancouver, Washington	60,000	Awarded to Cox Cable	—
July 1981	Fairfield County, Connecticut	120,000	Awarded to Cablevision	—
Aug. 1981	Boston, Massachusetts	242,000	Awarded to Cablevision	—
Sept. 1981	Springfield, Massachusetts	60,000	Awarded to Continental	—
Oct. 1981	Tucson, Arizona	135,000	Awarded to Cox Cable	—
Nov. 1981	Prince George's County, Maryland	100,000	Cable Commission recommended MetroVision and Viacom be awarded the franchise; other applicants included Storer, TCI, United Cross Country, Sammons.	Nov. 1981
Nov. 1981	New York, New York	Bronx—490,000 Brooklyn—885,000 Queens—720,000 Staten Is.—106,000	Consultant for New York City's four unwired boroughs (Arnold & Porter) released evaluation report on bids. Bids submitted for the franchises: Bronx—Cablevision Systems; Brooklyn—Cablevision Systems, Teleprompter, Warner Amex Cable Communications; Queens—ATC, Cablevision Systems, Gotham Communications, Queens County Cable Communications, Orth-O-Vision (TCI), Queens Inner Unity, Six Star Nielson, Teleprompter, WACC; Staten Island—Cablevision Systems, Cox Cable, Cross Country, Tele-Matrix, Vision Cable, WACC.	Dec. 1981
Nov. 1981	Denver, Colorado	216,000	Bids submitted by Mile Hi Cablevision (ATC and Daniels), Teleprompter and United.	Feb. 1982
Nov. 1981	Milwaukee, Wisconsin	252,000	Bids submitted by Warner Amex, Teleprompter, Milwaukee Cablevision, First Cable of Milwaukee, Community Citizens Controlled Cable Co-op, Viacom.	Feb.-Mar. 1982

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- RCA's Sotheby auction results revealed
- Westinghouse, Disney announce pay plans
- Showtime celebrates fifth anniversary

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November 23, 1981

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Cable's fast break: More play dates become pay dates

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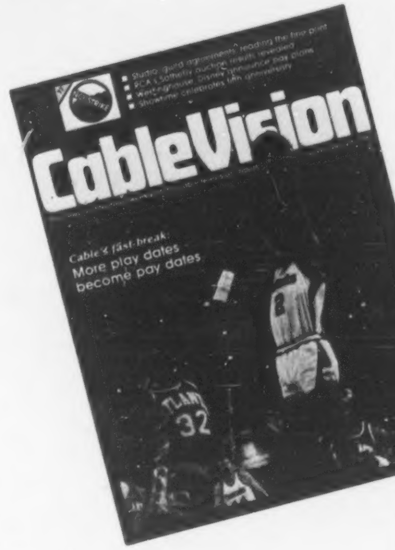
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ATLANTA
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Cover story

Sports on cable is now a buzzword for both the cable industry and professional teams. The trend toward offering regional pay sports networks is catching fire around the country for three of the four biggest leagues: Hockey, basketball and baseball. *Cable Vision* examines the teams involved and provides a rundown on the present and future plans of the associations and leagues as they move or contemplate a move toward cable. **Page 59.** Cover photo courtesy of the Denver Nuggets.

Do I hear $14 million?

In less than one hour, RCA Americom was $90 million wealthier by auctioning off seven transponder leases on its Satcom IV satellite scheduled for launch in early 1982. **Page 15.**

Family orientation

Walt Disney Productions has made its move into pay programming through a 50/50 joint venture with Group W Satellite Communications, pooling together resources, programming and two berths from GWSC's stable of transponders. **Page 16.**

Scaling down

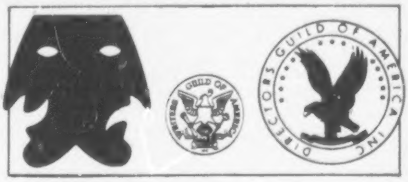
Hughes Communications has announced what they believe to be a major breakthrough for earth stations. Officials say that they have developed a technique for modifying earth stations allowing simultaneous reception of programming from two satellites. **Page 19.**

Before the public's eye

Denver, anxiously awaiting the awarding of its cable franchise, began to see in person some of the programming and other franchise promises offered by the three competitors: Mile Hi (ATC/Daniels), United, Teleprompter. **Page 24.**

Five years young

Viacom and Teleprompter's joint pay venture completes a half-decade of operation this month. 2.5 million subscribers to show for its battle to carve a market between HBO and The Movie Channel. *CableVision*'s Simon Applebaum profiles the road Showtime has travelled so far, getting some hints on directions for the next five years. **Page 40.**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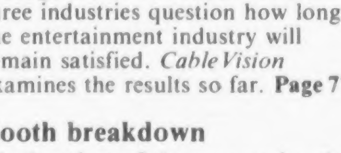
Sweeping up the results

Has the dust really settled for the series of strikes that hit Hollywood this past summer? It would appear that the actors, directors and writers are relatively satisfied with the agreements reached with management, but officials of all three industries question how long the entertainment industry will remain satisfied. *Cable Vision* examines the results so far. **Page 77.**

Booth breakdown

It's that time of the year again when *Cable Vision*, like all others involved in the industry, prepares for the upcoming Western Show. Included here is a list of those exhibitors planning to attend. **Page 95.**



Detecting a hit

HBO's Standing Room Only special slated this month features Frank (*Dracula*) Langella as the cool, canny, baffling super-sleuth known as Sherlock Holmes. *Cable Vision*'s Robert DiMatteo reviews the program. **Page 35.**

Guild story

Settling the dust

What are the end results of the Hollywood's strikes, and what affect do they have on made-for-pay production?

As the dust from the strike-torn summer settles over the entertainment industry and the fall network season limos off to a badly-damaged start, producers, executives and business affairs departments are taking a long hard look at the three major guild agreements (Directors, Writers and Screen Actors) and what they mean in terms of getting pay TV production off the ground.

"It's a total mess," lamented one studio executive who asked not to be named. "All of the residual clauses are triggered at different times. It's driving our people crazy."

Part of the stalemate is an overall paralysis induced by the fear of a major nationwide recession. Current writer's guild statistics show that 50 percent of all network shows are being written by ten percent of the membership.

"A recession is when your neighbor isn't working," quipped one guild official. "A depression is when *you're* not working."

One of the major impediments to the blossoming of pay programming is that, to the derision of certain industry onlookers, the writers and the directors have not yet drafted a final document to the agreements reached last summer. Management approaches have been made to "freeze" the minimum basic agreements at 1977 contract levels until the new language has been set down in stone in order to get production off the ground. The overtures have been rejected.

(One exception has squeaked through. A reliable source told *CableVision* that the director, Terry Hughes, hired to shoot *Barefoot in the Park* December 5 in Seattle is being paid "in excess of $200,000" in accordance with the guild agreements. Paramount is producing the musical, which has been licensed by Home Box Office. Paramount Pay President Mel Harris forthrightly denied the $200,000 figure. "He's a superstar director and he's being paid over scale," Harris said. "You figure it out.")

As is often the case, it is the writers who are still wrangling ("I wouldn't let a writer negotiate a taxi fare," said veteran screenwriter Edward Anhalt, who ran a two-page ad in the trade papers protesting the "sketchy information" given the writers guild membership by the negotiating committee mittee).

Guild story

According to industry experts, the writers suffered badly in the final round of negotiations (*CV*, 7/20/81, p.21). Key issues still in limbo are the "going rate and bonus" concept which the negotiating committee believed eliminated from the new contract, and questions surrounding network prime time minimums. Because of the weakness of the writers' original bargaining position following the directors' decision not to join them on strike last June (*CV*, 7/6/81, p.52), sources inside the guild say management is attempting to beat down the promises made at the negotiating table. The same sources indicate that another strike may be in order soon.

Under the terms of the old contract, a one-hour teleplay sold for $6,065 at the "going rate" or scale. If the writer was a "genre," or experienced writer, he received in addition a "bonus" of $3,369, bringing the total to $9,972.

The new contract introduces a 40/60 split between story and teleplay, bringing the total to approximately $11,000 including the 12 percent cost-of-living increase gained for 1981. According to one member of the negotiating committee, eliminating the "bonus" concept was engineered to make it more difficult for producers to "cut off" or to change writers in mid-script.

However, one "genre" writer, who recently turned in a one-hour original script to a major studio television division, was simply paid 12 percent above the old minimum wage for story ($2,417), bringing the gains of the prolonged and costly strike to a grand total of $790.04 in one individual instance.

"They're simply holding the money until the contract is resolved," said the

SAG minimums (1980 new minimums—television only)

	First 18 months	Second 18 months
3-day player:		
Actor and singer (½-hour or 1-hour show)	$638.00	$756.00
Stuntplayer (½-hour or 1-hour show)	711.00	817.00
Actor, singer, stuntplayer (1½-hour or 2-hour show)	774.00	890.00
Sweetening, overdubbing, singer, contractor, step-out	(same as weekly)	
Multiple pictures (weekly):		
Actors:		
(½-hour and 1-hour shows)	$667.00	$767.00
(1½-hour show)	786.00	903.00
(2-hour show)	926.00	1,065.00
Stuntplayer and pilots:		
(½-hour and 1-hour shows)	1,065.00	1,225.00
(1½-hour show)	1,183.00	1,360.00
(2-hour show)	1,312.00	1,509.00
Series:		
½-hour:		
13 out of 13	$903.00	$1,038.00
Less than 13	1,032.00	1,186.00
1-hour		
13 out of 13	1,084.00	1,247.00
Less than 13	1,212.00	1,394.00
1½-hour:		
13 out of 13	1,444.00	1,661.00
Less than 13	1,638.00	1,883.00
2-hour:		
13 out of 13	1,806.00	2,076.00
Less than 13	2,093.00	2,407.00
Two or more series in combined format:		
1-hour	$1,415.00	$1,627.00
1½-hour	1,910.00	2,197.00
2-hour	2,442.00	2,808.00

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writer, who asked not to be named. "It's very clever of them. They collect the interest. I don't."

Frank Pierson, director and author of the screenplays *Cat Ballou* and *Dog Day Afternoon*, declined to comment on the possiblity of another writers' strike, saying it would be "inappropriate" while the issues are still under discussion with management. Pierson did indicate that a membership vote will be called for if management and the negotiating committee cannot resolve the problems "in terms we both understand; that is, incorporation of the bonus concept into across-the board minimums as stipulated in the agreement.

The agreements' meaning

Most studio executives could care less about the internecine problems of the writers' guild. They are concerned with a far more basic problem—how to create a coherent deal-making structure from these widely differing agreements.

"We don't have the language. We don't have the minimums," complained the head of one of Hollywood's nascent pay TV divisions. "How do they expect us to fulfill their demands with such sketchy information?"

Although attempts were made before and during the negotiating process to coordinate the various guild agreements, each one is of necessity tailored to membership needs. This makes the producer's chore even more difficult.

The sliding recoupment concept

Central to the embattled writers guild contract is a "sliding recoupment scale" for pay television, which locks the writer's fee into the producer's recoupment figure. After the producer recoups his investment at a set rate of $1 million per program hour for videotaped shows and $1.25 million per program hour for filmed production, the writer is entitled to two percent of gross receipts. If, however, the writer negotiates a fee above minimum scale, the producer is entitled to up his recoupment figure proportionately, thus delaying the writer's residual payment.

For example, say a writer receives $50,000 for a two-hour made-for-pay movie, a sum which is not uncommon at the network level. This is approximately two-and-one-half times the new minimum demanded by the writers' guild, which is $18,868. The producer is then entitled to recoup $2.5 million per program hour before he has to

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The Writers Guild's national executive secretary is Leonard Chassman.

include the writer in the profits.

Minimums are scheduled to rise at an annual rate of 12 percent effective March, 7, 1981 (retroactive to signing), 12 percent effective July 1, 1981, 11 percent effective July 1, 1983, and nine percent effective July 1, 1984. In "long form" television (over 60 minutes), an additional four percent premium goes into effect July 1, 1984. Pay TV minimums are equivalent to free TV minimums with the same cost-of-living increases scheduled. This has caused some consternation among pay producers. "They're charging us the same minimums as the networks," said Showtime President Mike Weinblatt. "It's incredible."

In addition, the writers' contract calls for 1.2 percent of gross receipts from supplemental markets such as videocassettes and discs. Unlike the actors' and directors' contracts, the writers' percentage is not delayed until the sale of 100,000 units, but is lumped in with tape at the recoupment window as a factor in determining the $1 million recoupment threshold.

Under the new contract, negotiations which were formerly the exclusive province of the networks, (serials, variety, quiz shows and documentaries) will now be subject to industry-wide bargaining. About the only market free of the elaborate new restrictions is that of educational and instructional material.

"If, theoretically, a writer says 'I'll write this for a dollar,' we don't care," said Leonard Chassman, national executive secretary for the writers' guild. "The writer's fee still establishes the recoupment figure. If the writer is working at one-tenth the minimum scale, the producer has to pay him his two percent as soon as he recoups one-tenth his basic cost.

The SAG window

In many ways, the Screen Actors Guild (SAG) contract is the most straightforward of all the guild agreements. It has the advantage of being formally drafted as well.

The pay TV provisions, known as the "SAG window," call for ten free exhibition days per program over each system to which the program is licensed. This is for worldwide rights within a period of one year from initial exhibition on each system. No residual payment is due the actor until either of these two limits, one year or ten runs, has been reached.

As in the WGA contract, pay TV and free TV minimums are the same. Instead of a three-year cost-of-living increase, however, the SAG contract is keyed to an 18-month split, with all minimums increased by 15 percent each time. Compounded, the increases total 32.25 percent over three years.

For videodisc and videocassette sales in excess of 100,000, the actor receives 4.5 percent of gross receipts.

The "SAG" window," as the ten free exhibition days are called, has been widely criticized throughout the guilds as being "4.5 percent of nothing." Many industry observers feel that, in giving away ten exhibition days, the guild has given away its hopes of any residuals at all.

Writers Guild minimums

Examples	1981	1982	1983	1984*
High-budget screenplay	$29,485			$40,000
Network prime time				
30-min. story option screenplay	7,548	8,453	.9,383	10,229
60-min.	11,169	12,508	13,883	15,135
90-min.	15,094	16,905	18,764	21,204
120-min.	19,652	22,011	24,432	27,607
One-hour variety	4,048			5,846
One-hour daytime serial				
Weekly package	10,236			13,870
Script fee	1,914			1,374

*The Writers Guild has negotiated an extra year for additional bargaining power.

Directors Guild minimums

Theatrical motion pictures

	1981	1982	1983
Low budget (to $500,000)	$2,989/week	$3,348/week	$3,716/week
Medium budget (to $1,500,000)	3,397/week	3,805/week	4,224/week
High budget (over $1,500,000)	4,754/week	5,324/week	5,910/week

Network prime time

30-min. program	$7,200	$8,064	$8,951
60-min.	12,228	13,695	15,201
90-min.	20,380	22,826	25,337
120-min.	34,237	38,345	42,563

Directors residuals (pay TV)

Based first on number of subscribers and later on employers' gross receipts.

Examples	
Theatrical	.005 per sub
Other dramatic	
30-min.	.00702
60-min.	.001404
90-min.	.002464
Longer	004011

(Subscriber residual stops when employer required to pay percentage based on gross receipts. When employer's receipts reach $2 million [for a one-hour film] residual is 2% of gross receipts.)

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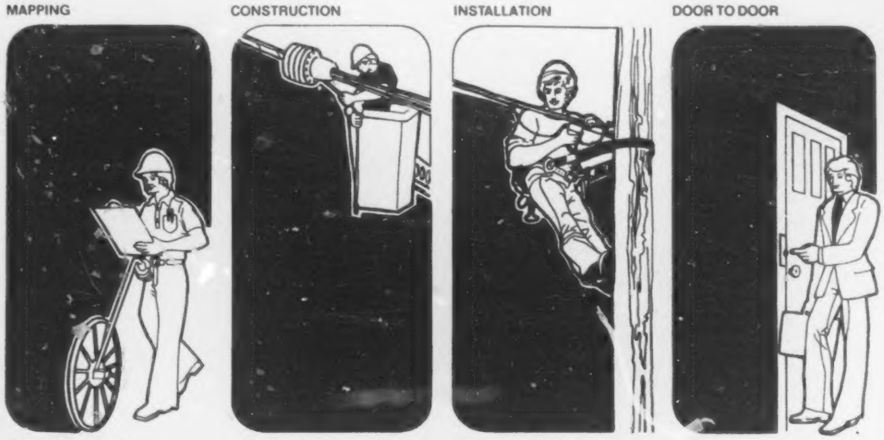

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Ken Orsati is SAG's assistant national executive secretary.

Ken Orsati, assistant national executive secretary of SAG and head of the Hollywood guild branch, said, "Everyone we've talked to wants more than ten days." Orsati's confidence, however, represents a tendency within the guilds to overestimate cable's current needs, and perhaps a reliance on outdated figures as well.

Robbin Ahrold, vice president in charge of publicity for Home Box Office, said that in recent years the maximum airing for most programming has been eight or nine plays. Ahrold explained that prior to 1975 HBO had aired films 28 to 30 times, but found a considerable "annoyance factor" owing to the many repeats. Now, HBO "premieres" its films with six or seven runs if they're "really fantastic," according to Ahrold, then "encores" them with an additional two to three runs in six months time. If the film does "really, really well," it will be brought back for a "return engagement" or third airing of another two to three runs.

Ahrold conceded that the advent of 24-hour programming will have more plays with added dayparts. "I don't think you'll see us with as many plays as The Movie Channel, because we'll have twice the title volume," Ahrold said.

The per capita concept

The directors' 1981 contract, considered by members of all three major craft guilds to be the most beneficial of the new contracts, combines elements of all three.

Basically, the directors' new plan gives producers one day of free play for original pay programming. In the first two years of the contract, once a program is licensed to a system or aggregate of systems totalling five million or more subscribers, the director receives a cent-fractional per

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The national executive secretary for the Directors Guild is Michael Franklin.

capita payment (see charts). If the system is Home Box Office, which now has an estimated 7.5 million subscriber base, the per capita payment would be triggered immediately. In the third year of the contract, the subscriber figure is reduced to three million. If the subscriber total should reach 15 million within the three years of the contract, the director then doubles his initial minimum. (In the event that a program should not recoup its costs, the producer is given a 20 percent discount).

According to Michael Franklin, national executive secretary of the Directors Guild, the residual subscriber payment continues year after year until an artificial recoupment figure of $2 million per program hour is reached. At this point the director receives two percent of the gross receipts (during the negotiations the writers complained bitterly that this figure "undercut" their own recoupment figures).

"Under no circumstances" Franklin said, is the producer allowed to shift into gross receipts for the first year. The one exception is in pay-per-view, where the gross concept becomes active immediately. "When we move out of subscriber payents into gross receipts we obviously want to get as much as possible," he explained. "The producers want to move everything into the first year because that's the most important year."

Directors' pay minimums are scaled to the number of subscribers covered by the initial license at a percentage of the network prime time minimums. But, unlike the writers' contract, the director's fee can't be used to wipe out profit-sharing. If a director negotiates a fee of $40,000, the recoupment figure remains fixed at the arbitrary sum of $2 million.

If a program produced and licensed for pay then goes into free TV, the production entity must pay the standard free TV residuals in addition to the pay schedule already met (150 percent of theatrical scale). If a made-for-pay movie goes into theatrical release, the same terms apply. If the film is put on disc or cassette after being licensed for pay, the window is again set at two percent of the gross after either 100,000 units in sales or the artificial recoupment figure of $2 million has been reached.

The end result?

Obviously, each contract has its own problems. In an industry not known for rushing to open its books, the most common is policing.

In order for the per capita concept to work, the directors must maintain accurate subscriber counts during the full course of production, often from one to three years. Resistance to releasing such "corporate information" has already been encountered from certain companies, particularly HBO.

"We release subscriber figures once a year and that's it," said Steve Scheffer, vice president of programming at HBO.

"Reliable sources," such as those provided from industry trade journals, are specified in the Directors Guild contract as a means of keeping a running count. But, Franklin said, the best government is self-interest.

"It's up to the producer to police subscriber figures in order to get himself the best license fee," Franklin explained.

The actors are relying on good faith in determining when ten exhibition days have been reached. "Any system operates on a faith basis," said Michael Demers of SAG. "The systems are obliged to give reports to the studios. The studios report to us. But, by and large, no better terms can be applied than faith."

In the case of the writers, the big problem will be in gauging when the producer reaches break-even. Even more than the directors, the writers appear vulnerable to the producers' willingness to open their ledgers.

"Our protection is the same as it is in free TV," Chassman said. "If an independent doesn't sign with us, our writers don't work for him."

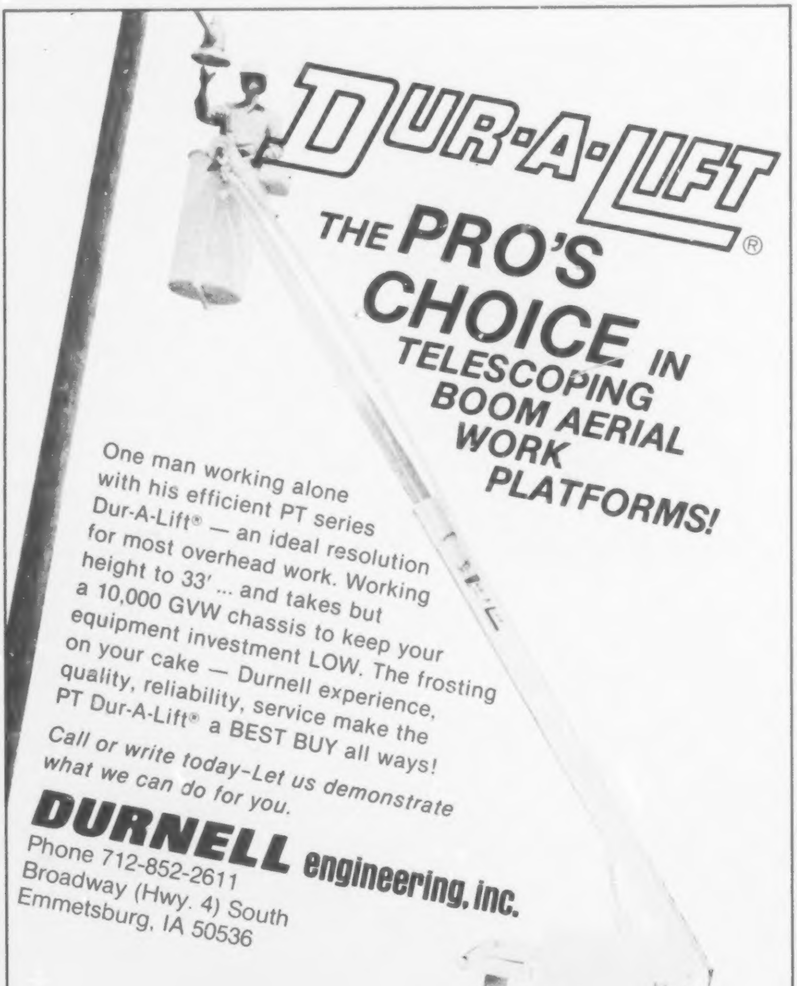
In Anhalt's view, another problem for writers is that scale on new writers will virtually be phased out of the new markets. "If a producer has to choose between hiring a $20,000 writer who'll get $40,000 in profit-sharing once the recoupment figure has been reached and a $50,000 writer who'll get nothing, you can be damn sure he'll hire the $50,000 writer," Anhalt said.

According to guild statistics, no experienced writer works for scale. A select few may even receive as high as $100,000 for a two-hour teleplay, which would vault the recoupment figure to $5 million per program hour for quality writing.

"Pay TV will have to grow considerably before it can afford the above-scale writer," Chassman said. "A producer might not have that kind of money to play around with to get his project off the ground."

Seeking other sources

At this point, however, producers who have that kind of money aren't going to the guilds. Home Box Office, for example, has gone to Canada to film the first made-for-pay movie. *The Terry Fox Story*, budgeted at an



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estimated $4.5 million. Reportedly, HBO is paying a license fee of $1 million per programming hour to Toronto-based Robert Cooper Productions. (HBO has an official policy of not commenting on license fees. "That's fiduciary information," Scheffer said).

One factor that seems attractive to producers is that Canadian talent is not subject to U.S. guild regulations. However, because *Terry Fox* is the first made-for-pay movie, it is to date the only substantial yardstick available to measure the guild agreements in term of potential cost.

Analysis by several studio executives reveals that *no* residual payments would be triggered in all three years of the current contracts even by this film, the most expensive original project ever launched on pay TV. The reason, according to some industry observers, is that HBO will deficit-finance *Terry Fox*.

HBO disagrees. "We're not deficit-financing anything," maintained Scheffer when questioned. Scheffer said the producer will shoulder the brunt of the cost.

Normally, the producer would factor residuals into the lump sum of $4.5 million for *Terry Fox*. The $2 million is paid to the producer outright. HBO will then amortize the sum by programming. The amortization depends on the terms of the license (normally, one, three, or five years), the number of exhibition days and the number of plays on the network.

An average program budget for HBO is estimated at between $1.50 and $2.00 per subscriber per month for all programming. There are 720 to 750 hours of programming per month, given the maximum 24-hour allowance. To arrive at the budget allotment for one hour of programming, the base is divided by the number of program hours, yielding an average of two tenths of a cent. Since *Terry Fox* is a two-hour film it would be allocated four tenths of a cent.

Home film potential

If *Terry Fox* is given the maximum number of runs feasible in 24-hour programming, it may gross ten cents out of $1.50. If the subscriber base, following current projections, is eight million by the first time it is played, and ten million by the second playing, it stands to make $340,000 and $400,000 respectively. If it is run a year later in a smaller burst of five plays when the subscriber base has reached 12 million, it will gross $240,000. The total comes to slightly under $1 million or half the licensing cost.

Scheffer acknowledged that HBO's costs will be amortized through cheaper programming and other venues such as syndication or network sales. "We did that with *Kramer v. Kramer* and *Ordinary People* too," he said.

"Their cost is far less than making or buying a successful feature film," commented one industry expert. "And they get the cachet of making the first made-for-pay film."

Other companies indicated that reliance on Canadian tax-shelter money and European back-end deals will be the wave of the future in original pay programming for a long time to come. The most favored form of European deal structures seems to be exchanging pre-buy finances for theatrical distribution rights abroad. As a result, it would appear that one can expect a rash of European productions on American pay TV screens.

"It's cheaper and the talent is just as good," said program producer. "Why not use them?"

—*Patricia Goldstone*

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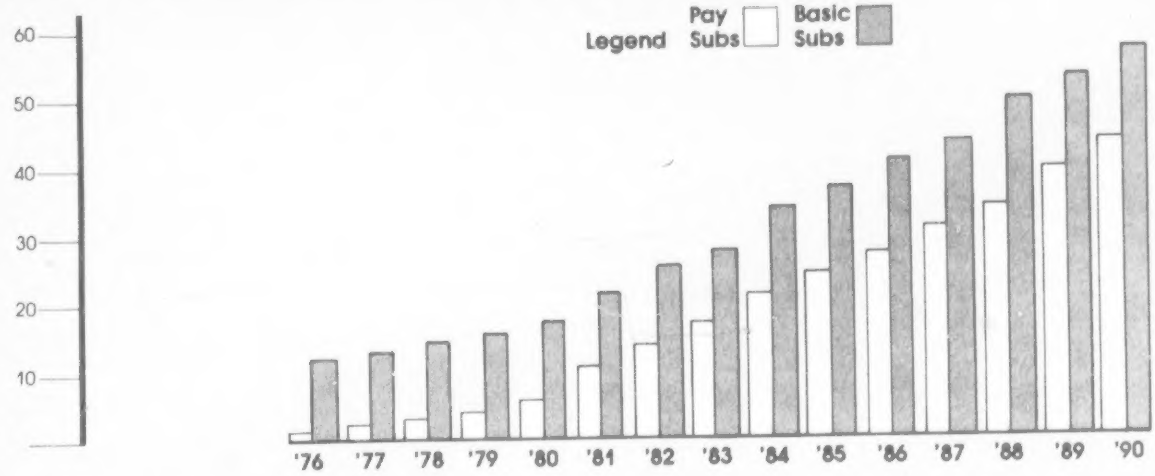

Pay/basic subscriber counts for 1981-1990 are projections

Subscriber counts

Basic Cable Services (television)*	Systems	Homes	% Change In Homes From 9/30
WTBS	3,633	16,730,000	+6.03
CBN	2,900	13,800,000	+3.76
ESPN	2,757	12,708,608	+4.05
C-SPAN	1,150	10,000,000	N.C.
CNN	1,681	9,115,000	+5.38
USA Network	1,600	9,000,000	+5.88
BET	760	8,323,266	+2.35
WGN	2,101	7,144,557	+3.89
Nickelodeon/ARTS	1,400	5,600,000	+7.69
WOR	1,073	4,353,246	+3.93
Modern Satellite Network	538	4,100,000	N.C.
PTL	390	3,950,000	+0.25
SPN (as of 10/15)	347	3,327,416	+5.76
CBS Cable (new this month)	250	3,000,000	N.A.
SIN**	145	2,756,800	N.C.
AETN	285	2,681,478	+7.26
MTV	300	2,500,000	N.C.
National Jewish Television	63	1,528,650	+6.61
ACSN	233	1,271,608	+12.48
Trinity	140	1,271,562	+9.62
Episcopal Television Network	67	1,042,000	+0.68
Christian Media Network (new this month)	120	1,000,000	N.A.
North American Newstime	115	830,000	+0.52
Eternal Word Television Network	14	285,900	N.C.
Basic Cable Services (audio)*			
WFMT	88	605,856	+2.06
Lifestyle	30	300,000	+27.54
STV Service*			
SelecTV Programming	9	210,000	+10.53
Pay Cable Services (television)*			
Home Box Office	3,000	7,500,000	+7.14
Showtime	1,300	2,500,000	+25.00
The Movie Channel	1,400	1,650,000	+10.00
Cinemax	400	700,000	N.C.
Home Theater Network	210	142,000	N.C.
Escapade	65	140,000	+7.69
Private Screenings***	11	127,000	+1.60
Bravo***	11	120,000	N.C.
GalaVision	105	92,000	+2.22

Regional Pay Cable Services (television)	Systems	Homes
Action TV	N.A.	N.A.
Atlantis Entertainment Network	5	950
PRISM	70	245,200
Rendezvous (Gill Cable)	2	12,000
SportsChannel (New York)	18	184,000
SportsChannel (Chicago)	N.A.	N.A.
Z Channel	10	100,000
Regional Basic Cable Service (television)		
Madison Square Garden Network	44	1,200,000

Announced Satellite-Fed Cable Services	Projected Launch Date
Cable News Network II	1/1/82
Home Theater Network Plus	1/1/82
Eros	1/1/82
Daytime	3/15/82
RCTV/The Entertainment Channel	first quarter 1982
Times Mirror Shopping Channel	first quarter 1982
The Health Channel	first quarter 1982
Satellite News Channels (channel one)	first quarter 1982
The Nashville Network	second quarter 1982
Cable Newspaper Corporation	second quarter 1982
UTV Cable Network	second quarter 1982
Kidvid Network	second quarter 1982
ESPN/ABC pay sports service	second quarter 1982
The Weather Channel	second quarter 1982
Cinemerica	mid-1982
Satellite News Channels (channel two)	fourth quarter 1982
Las Vegas Entertainment Network	T.B.A.
The Buena Vista Channel	T.B.A.
Lewmark Productions' Music Channel	T.B.A.
Heartbeat Media Network	T.B.A.
Spanish Universal Network	T.B.A.
Window (independent producers network)	T.B.A.
Black Music Cable Network (Inner City/Unity)	T.B.A.
Video Concert Hall (relaunch)	T.B.A.
Penthouse Entertainment Network	T.B.A.
Times Mirror Shopping Channel	T.B.A.
The Nostalgia Network	T.B.A.

*Satellite-fed services' subscriber counts are as of October 31 unless noted otherwise.
**Estimated Spanish speaking households, includes broadcast stations and translators.
***Includes STV services.
N.A. designates not available.
N.C. designates no change.
T.B.A. designates to be announced.

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National advertising*

Network/client	Status
CBS Cable	
Exxon	New Client
Kellogg's	New Client
Kraft	New Client
Quaker Oats	New Client
CNN	
AT&T	Renewal
Ace Hardware	Renewal
American Cyanamid	Renewal
American Home Products	Renewal
Eastman Kodak	Renewal
J.C. Penney	Renewal
Johnson & Johnson	Renewal
Memorex	New Client
Menley-James	Renewal
Showtime	Renewal
Christian Media Network	
Keenan & Clarey	New Client
ESPN	
AT&T (Yellow Pages)	New Client
Bristol-Myers	Renewal
Campbell Soup	Renewal
Carter-Wallace	Renewal
Colonial Penn Insurance	Renewal
Columbia Pictures	Renewal
Esmark (STP)	New Client
Federal Express	Renewal
Fuji Film	Renewal
Home Box Office	Renewal
Johnson & Johnson	New Client
Mitsubishi	New Client
Phillips Petroleum	New Client
Qantas Airways	New Client**
Renfield Importers	New Client
Showtime	Renewal
Subaru	Renewal
20th Century-Fox (Television Division)	New Client
U.S. Navy	Renewal
U.S. Tobacco	Renewal
Warner Communications (Atari/TMC)	Renewal
MSN	
Chamberlain Manufacturing	New Client**
Hallmark Cards	Renewal
Intermatic	New Client**
Magnavox	New Client
SCM (Proctor-Silex)	Renewal
SPN	
American Express	New Client
Avon Books	New Client
Eastman Kodak	New Client
Estee Lauder	New Client**
Paine Webber	New Client
Polygram Records	New Client**
TWA	New Client
Time-Life	Renewal
Travel Holiday Magazine	New Client**
SIN	
General Mills	Renewal
H.J. Heinz	Renewal
Johnson & Johnson	Renewal
Mattel	New Client
Procter & Gamble	Renewal
USA Network	
AT&T (Yellow Pages)	New Client
Britrail	Renewal
Exxon	Renewal
General Electric	Renewal
Showtime	Renewal
Singapore Air Lines	New Client**
Warner Communications (Atari)	New Client
WTBS	
Banfi Products (Riunite)	New Client
Canon	Renewal
C.N. Fleet	New Client
H.J. Heinz	New Client
M&M/Mars	Renewal
Showtime	Renewal
Stokley-Van Camp	Renewal
Time Inc.	Renewal
Warner Communications (Atari)	New Client

*This chart lists national advertising sales by basic cable networks during October 1981

**New to network advertising

Top 42 MSOs

Rank	Multiple System Operator	Subscribers
1	ATC	1,625,000
2	Teleprompter/Westinghouse	1,533,322
3	TCI	1,277,000
4	Cox Cable Communications, Inc	1,019,989
5	Storer Cable Communications	800,002
6	Warner Amex Cable Communications, Inc	800,000
7	Times Mirror	635,368
8	Newhouse Broadcasting (includes NewsChannels, MetroVision and Vision Cable)	528,981
9	Viacom Cablevision	494,793
10	UA-Columbia	467,544
11	Sammons Communications, Inc	433,545
12	United Cable Television Corporation	432,112
13	Continental Cablevision, Inc	410,000
14	General Electric Cablevision Corporation	276,000
15	Cablecom General/Capital Cities	268,577
16	TeleCable Corporation	264,000
17	Heritage Communications	210,000
18	Liberty Communications	208,298
19	Cablevision Systems, Development (includes Cablevision of Chicago)	206,000
20	Service Electric Cable TV, Inc	189,500
21	Comcast Corporation	186,392
22	Wometco Communications, Inc	180,000
23	Midwest Video Corporation	174,349
24	Century Communications	162,000
25	TCA Group	155,000
26	Tele-Media Corporation	154,000
27	Western Communications, Inc	146,399
28	MacLean Hunter (includes Metro, Suburban and Wayne Cable)	143,451
29	Daniels & Associates, Inc	140,000
30	Colony Communications, Inc	131,459
31	Jones Intercable, Inc	124,341
32	Prime Cable	122,000
33	Rollins Cable Vue, Inc	105,000
34	Harris Cable Corporation	101,222
35	Centel Communications	99,296
36	Harron Communications Corporation	89,093
37	Tribune Company Cable	87,457
38	Multimedia Cablevision, Inc	85,000
39	Communciations Service, Inc	84,248
40	Buckeye Cablevision	82,777
41	Cable Vision Industries	82,000
42	Armstrong Utilities (includes Armstrong Communications Corporation, National Cable TV Corporation and North Landerdale Cablevision	80,471

Brooklyn
Staten Island
Queens
The Bronx
13

- Franchise recommendations made to NYC Board
- Times Mirror executives talk to Wall Street analysts
- Controversial Prince George's County award to Storer
- Utah indecency statute ruled "unconstitutional"

CableVision™

Th telev on industry November 30, 1981

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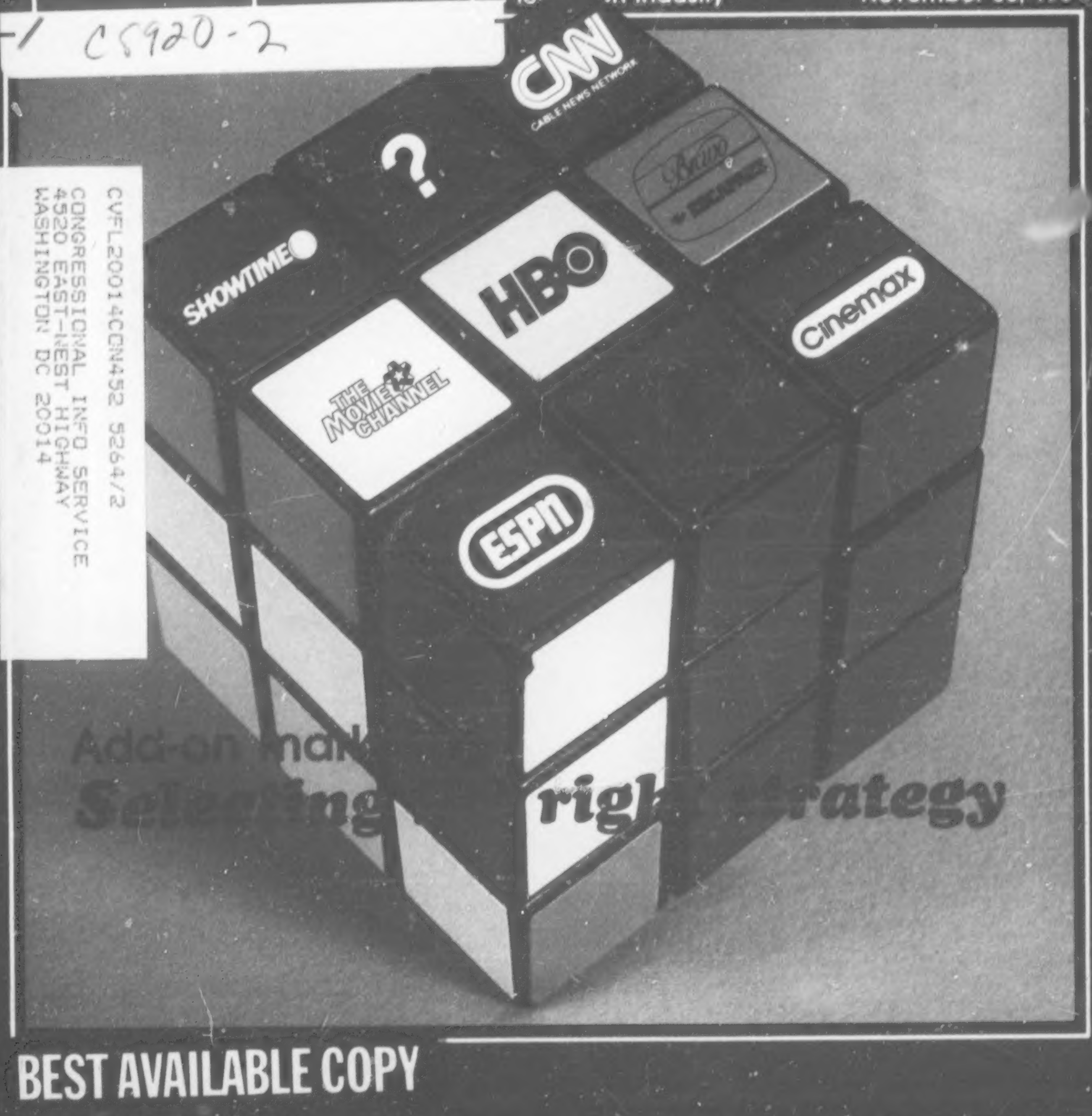
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
WASHINGTON DC 20014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CABLE NEWS NETWORK
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Bravo
SHOWTIME
HBO
Cinemax
THE MOVIE CHANNEL
ESPN
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CableVision

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CableVision
CNN
HBO
ESPN
?
right strategy

Cover story

Cable marketers agree that while no two mature systems are alike, all agree that they are much tougher markets than rebuilds. People are generally set in their ways, and in many cases, they either subscribe to cable or they do not. Operators in these older franchises therefore are increasingly looking at the remarketing concept: they want to add services to make their system more attractive to their current subscribers and generate new ones. The question at hand is which services should be selected by the operators and how many. Cover photo by Rob Stuehrk. **Page 35.**

Bated breath

The Cable television working group makes its recommendations to the Board of Estimate of New York regarding the four unwired boroughs of the city, representing 2.2 million homes. The Board will now reevaluate those recommendations and decide with whom the city will negotiate. **Page 14.**

Beaching buccaneers

Representative Henry Waxman (D-CA) has introduced legislation that would create criminal and civil penalties for unauthorized reception of video transmissions. The goal is to single out signal pirates and essentially, "make them pay." **Page 15.**

Unconstitutional grounds

A federal district court in Utah has declared a recently-passed state statute which bans "indecent material" on cable television unconstitutional and permanently enjoined its enforcement. **Page 16.**

Major goals

Large capital expenditures attributed to the nationwide development of Spotlight, major cable construction, a videotex experiment and a variety of other activities have attributed to what Times Mirror officials are seeing as lower earnings in 1982. **Page 24.**

Impressive acts

The "cable capital" is anxiously awaiting a cable franchise, and the three presentations made to the interested public by the competitors demonstrated that "there is no holding back." **Page 51.**

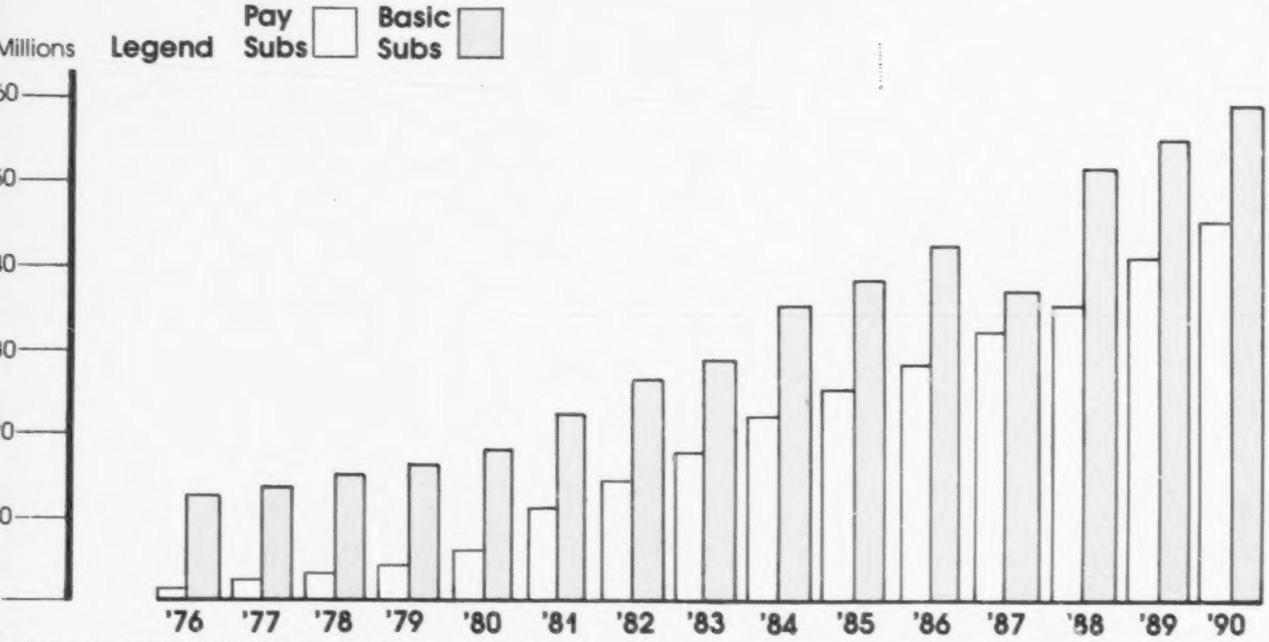
Reorganizing the group

A shuffling of the ranks has occurred at the CBS Broadcast Group, with Van Gordon Sauter and Neal Pilson to take control of the news and sports departments, respectively, and Thomas Leahy, already overseeing CBS Cable, will add the supervision of CBS's activities in the cable ownership area. **Page 56.**

A unique approach

John Byner has been a television "funny man" for a great many years, but he is only recently coming of age, to some degree, as host of Showtime's Bizarre *series.* CableVision*'s Robert DiMatteo takes a look at the program.* **Page 22.**

Pay/basic cable growth



Pay/basic subscriber counts for 1981-1990 are projections.

Recent franchise activity

Date	Franchise	Homes Passed	Status	Award Date
June 1981	Vancouver, Washington	60,000	Awarded to Cox Cable	—
July 1981	Fairfield County, Connecticut	120,000	Awarded to Cablevision	—
Aug. 1981	Boston, Massachusetts	242,000	Awarded to Cablevision	—
Sept. 1981	Springfield, Massachusetts	60,000	Awarded to Continental	—
Oct. 1981	Tucson, Arizona	135,000	Awarded to Cox Cable	—
Nov. 1981	Prince George's County, Maryland	120,000	Awarded to Storer Communications of Maryland	—
Nov. 1981	New York, New York	Bronx—490,000 Brooklyn—885,000 Queens—720,000 Staten Is.—106,000	Consultant for New York City's four unwired boroughs (Arnold & Porter) released evaluation report on bids. Bids submitted for the franchises: Bronx—Cablevision Systems; Brooklyn—Cablevision Systems, Teleprompter, Warner Amex Cable Communications; Queens—ATC, Cablevision Systems, Gotham Communications, Queens County Cable Communications, Orth-O-Vision (TCI), Queens Inner Unity, Six Star Nielson, Teleprompter, WACC; Staten Island—Cablevision Systems, Cox Cable, Cross Country, Tele-Matrix, Vision Cable, WACC.	Dec. 1981
Nov. 1981	Denver, Colorado	216,000	Bids submitted by Mile Hi Cablevision (ATC and Daniels), Teleprompter and United.	Feb. 1982
Nov. 1981	Milwaukee, Wisconsin	252,000	Bids submitted by Warner Amex, Teleprompter, Milwaukee Cablevision, First Cable of Milwaukee, Community Citizens Controlled Cable Co-op, Viacom.	Feb.-Mar. 1982

Satellite line up

Satcom I (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAL, Dow Jones)	3
Inoperative	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO owned, presently not working	13
Cable News Network	14
Warner Amex owned (for CNN II)	15
Showtime, ACSN, National Jewish Television, AETN, Compact Video (4:00 p.m. to 4:00 a.m.)	16
Showtime (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
United Video (7:00 a.m. to noon) Times Mirror (Spotlight, noon to 7:00 a.m.)	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network during early evening)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IIIR—Projected launch November 19, 1981, 24 transponders, 4/6 GHz
Satcom IV—Projected launch January 12, 1982, 24 transponders, 4/6 GHz
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)	**Transponder**
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Robert Wold Company/Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word Television Network/occasional video services	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)	**Transponder**
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1)
Spacenet II—Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Major cable programmers with transponder ownership

Company	Total	Breakdown
Time Inc.	15	7 Satcom/2 Comstar/6 Galaxy
Westinghouse	14	10 Westar/4 Galaxy
Viacom/Showtime	7	4 Satcom/1 Comstar/2 Galaxy
WASEC	6	5 Satcom/1 Comstar
SSS	5	1 Satcom/1 Westar/3 Spacenet
Turner Broadcasting	4	1 Satcom/1 Westar/2 Galaxy
SIN	3	1 Westar/2 Spacenet
Landmark Communications	3	1 Satcom/2 Spacenet
Times Mirror	3	1 Satcom/2 Galaxy
United Video	3	2 Satcom/1 Spacenet
ESPN	2	1 Satcom/1 Comstar
RCTV	2	1 Satcom/1 Comstar
CBS Cable	1	Westar
ABC	1	Westar
CBN	1	Satcom
PTL	1	Satcom
Reuters	1	Satcom
UTV Cable Network	1	Satcom
Inner City Unity	1	Satcom
National Christian Network	1	Comstar
Trinity Broadcasting	1	Comstar

RCA auction participants

ABC
Appalachian Community Service Network
Billy H. Batts
Bonneville Satellite Corporation
CBS
Cablevision Program Enterprises
Compact Video Services, Inc.
Joe Corazzi
Dove Broadcasting Network
Eastern Microwave, Inc.
Eternal Word Television Network, Inc.
Hearst/ABC Video Services
Home Box Office
Barry G. Hon/The Hon Foundation
Hughes Communications, Inc.
Inner City Broadcasting Corporation
KET
LaMarca Group, Inc.
Landmark Communications, Inc.
National Christian Network, Inc.
Neighborhood TV Company, Inc.
RCTV
Timothy J. Flynn/Rainbow Communications, Inc.
Satellite Syndicated Systems
Satellite/Terrestrial Communication Systems Consultants, Inc.
Satori Productions, Inc.
Showtime Entertainment
SIN National Spanish Television
TPC Communications, Inc.
TSI Limited
Total Communications Systems, Inc.
Transponder Leasing Company c/o Satellite Systems Corporation
Trinity Broadcasting Network, Inc.
Tsunami Systems
USA Network
UTV Cable Network
United States Catholic Conference on behalf of National Catholic Telecommunications Network, Inc.
Video Concert Hall, Ltd. a/k/a Henderson-Crowe Productions
Video Music Programming Corporation
Video Sports Network
Warner Amex Satellite Entertainment Company
Westinghouse Broadcasting Company, Inc.

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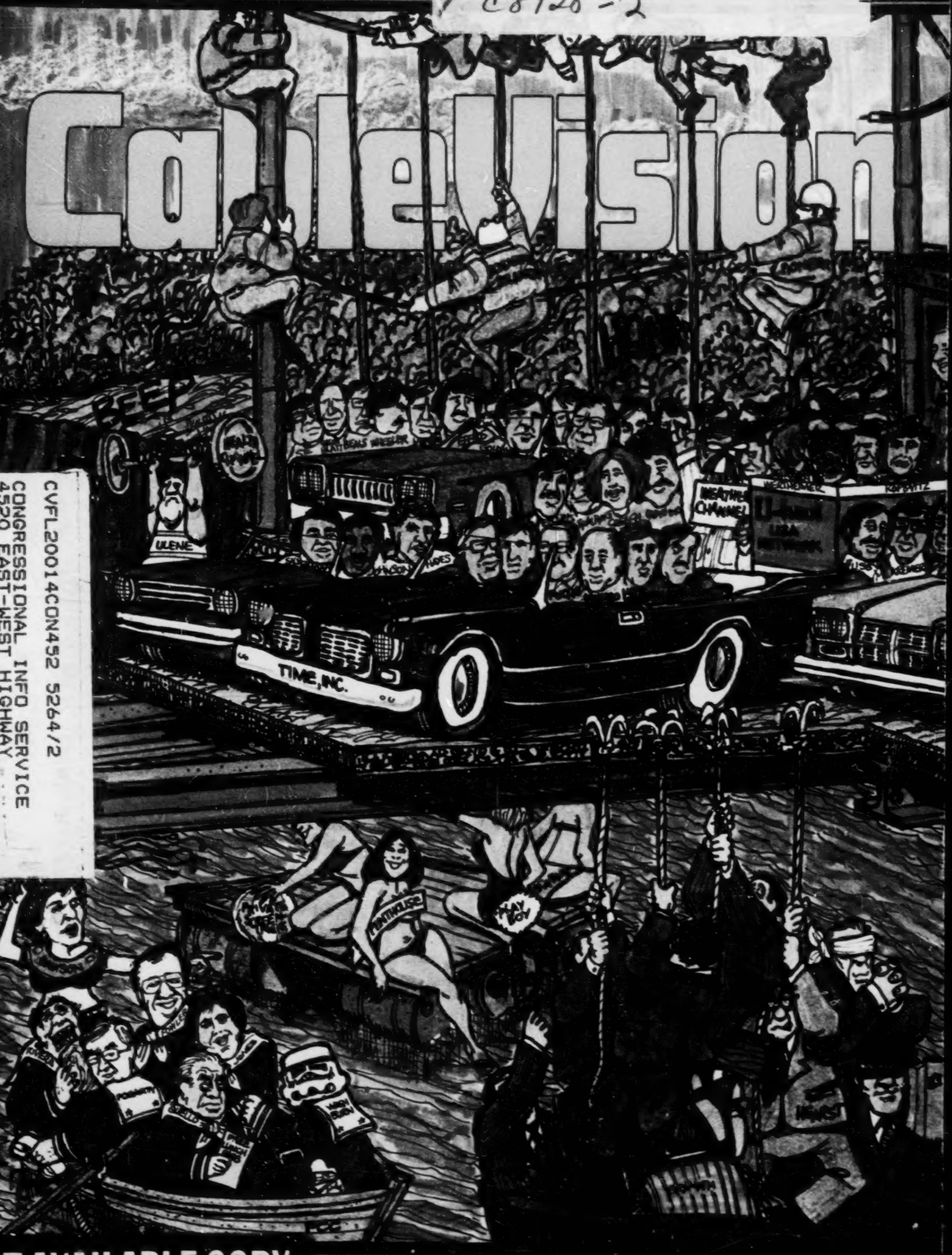
BEEP
ULENE
TIME, INC.
WEATHER CHANNEL
USA NETWORK
PENTHOUSE
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December 7, 1981

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Making a solitary buy

The recent exclusive license agreement between HBO and Columbia Pictures has attracted as much attention as the aborted Premiere proposal. The issue at stake is film exclusivity. **Page 19.**

On the spot

The ACSN-produced closed circuit teleconference that featured NCTA president Tom Wheeler allowed him to discuss the controversial copyright compromise with numerous operators. **Page 23.**

On target

Satcom III-R has so far lived up to expectations following its November 19 launch. **Page 24.**

Refranchising drama

The franchising battles in the major markets are almost over, but a new era of franchising looms on cable's horizon—refranchising. Contracts signed years ago are about to expire. *CableVision* examines this new era in the cable industry. Will companies raid other MSOs' properties? This answer is not clear, yet some cable operators are beginning to worry. Discussions among many people in the industry are highlighted in this Western Show feature story as refranchising comes of age. **Page 14.**

From magazine racks to cable

Family Circle, *Better Homes and Gardens* are in, with Hearst and *Playboy* ready to move, as the magazine end of the fourth estate lays its resources on the cable table. Providing programming is the key. **Page 32.**

Soliciting opinions

CableVision surveyed a wide cross-section of operators in seeking out their thoughts on the present state of programming services. Some agreed that the industry has a sufficient number; others, however, are interested in some new ones: science fiction, documentaries and a historical channel. **Page 52.**

Every move counts

Several key executives in cable, along with Bob Arum of Top Rank, discuss the future of pay-per-view. Boxing has already proven its value at the cable box office. What remains to be tapped is anyone's guess, they say. **Page 72.**

Surf's up

A rundown on who's who in the cable programming production business in the movie capital of the world, California, and more specifically, Hollywood. West Coast bureau chief Patricia Goldstone talks with various studio executives and others about basic cable and made-for-pay programming. **Page 91.**

Case study

Independent cable operator Arlington Telecommunications, or ARTEC, often referred to as the nation's "Cable Showcase," shows how refranchising in action can have a positive conclusion. **Page 201.**

A cable fantasy

On the chest on each Santa were
strange appellations
Like code names employed
in bizarre machinations:
There was ATC, TPT, TCI,
Warner—
Names that were pulled from all
crannies and corners—
See Page 214.

New entries?

Operators respond to the cable entry of broadcast networks

NEW YORK—The three broadcast networks, not long ago some of cable's biggest rivals, in the past year have become some of the industry's players. ABC, previously the most outspoken network opponent of cable, is now offering the industry three basic services: ARTS, Daytime and News Channels. In addition, it is moving into pay-per-view through its joint venture with ESPN. CBS has bestowed the industry with its class through CBS Cable and is now bidding for its first cable franchise in Alameda, California. NBC, struggling with its own third-place commercial network, has not yet made its entry, although its parent company, RCA, is a half partner in The Entertainment Channel.

How is the industry responding to this sudden "If you can't beat 'em, join 'em" attitude?

Business Communications, Inc. (BCI), a national cable research firm based in Fort Worth, Texas, surveyed a cross sampling of operators in 49 states on this issue for *CableVision.*

When asked how network ownership of a cable programming service will affect their decision to put that service into systems, 84.04 percent said it will have no effect. Instead, this vast majority responded that they want the best possible programming for the public, regardless of its source. Cable operators and networks are not enemies, but rather friends and should form alliances to produce the best entertainment for the public; this was the reaction of most, according to Bill Camfield, vice president and general manager of BCI. The 15.96 percent that said it would be less inclined to introduce a service owned by one of the commercial television networks base their response on past experience with network operations, said Camfield.

As for network ownership of cable systems, 20.44 percent believe the networks should be allowed to own cable based on the philosophy of free enterprise and the public's right to have these operations. The largest percentage of respondents, 49.17 percent, agree the networks should be allowed to own cable, but with limitations because of their size and strength, while 30.39 percent stated that the networks should be banned from cable ownership. The latter group believes network ownership of cable systems is a conflict of interest because the networks have more strength than any cable systems operator (financially and otherwise, including programming expertise)—thus, they could dominate the cable industry.

"CableVision"/BCI poll

"How will network ownership of a cable programming service affect your decision to put that service on your system?"

A. It will have no effect. I will judge each service on its merits: 84.04%
B. I will be less inclined to introduce a service owned by one of the commercial television networks: 15.96%

"How do you feel about the networks being allowed into cable ownership?"

A. The networks should be allowed to own cable: 20.44%
B. The networks should be banned from cable ownership: 30.39%
C. The networks should be allowed to own cable, but limitations on the extent of ownership should be imposed: 49.17%

Washburn's stance

Commissioner favors broadcast position on several issues

Commissioner Abbott Washburn had a few reassuring words for broadcasters recently, telling them he believes their audio and video services will "remain the principal sources to the public for years to come."

SCOTTSDALE, AZ—FCC Commissioner Abbott Washburn had reassuring words for his broadcast audience during a speech delivered at the Arizona Broadcasters Association Fall Conference.

"I have great confidence in the existing system of advertiser-supported radio and television stations providing local service and local programming," Washburn said. "I believe it will remain the principal source of audio and video service to the public for many years to come."

One of the prime goals of Washburn's speech was to dismiss the notion that "the Fowler bubble is about to burst at the FCC." Washburn said that President Reagan is strongly supportive of FCC Chairman Mark Fowler's call for deregulation of the telecommunications industry. He also termed the current "make-up" of the commission "a plus."

"You are not going to see the 'rushes to judgment' which we had under Chairman [Charles] Ferris—for example, the VHF drop-ins or the short-spacing procedure," Washburn said. "And some of his favorite options—such as mandating a specific number of hours for children's TV each week—are virtually dead. Increased government intrusion of this kind is just not going to fly with the new commission."

Washburn then turned to issues specifically affecting the cable industry. He stated that he "would not go any further" in deregulating cable, using his vote against the elimination of the distant signal and syndicated exclusivity rules as proof. Although that decision is currently before the Supreme Court for review, Washburn said additional action is necessary.

"Whether or not the broadcasters prevail, the copyright law should be changed to give broadcasters a fair equity," Washburn said. "I would urge the Congress to actively consider changes in cable copyright prices to bring them more in line with the $3 billion which broadcasters pay each year for programming."

Washburn also indicated he would vote against any changes of the "must-carry" rules. A petition was filed last year by Ted Turner asking the FCC to rescind the regulations that force cable systems to carry all local broadcast stations.

"I strongly favor retention of the rules," Washburn said. "The local signals deserve priority."

"As long as localism is an essential element in the American scheme of broadcasting, which I firmly believe it should be," Washburn continued, "then cable systems must carry signals of the local stations."

"CableVision" survey

Survival of the fittest

"CableVision" asks operators what they think about today's programming fare

NEW YORK—With a new programming service announced almost every month, speculation over which will survive has become one of corporate cable's biggest pastimes. But to learn how operators in the field, those people who deal most closely with subscribers, rate these yet-to-be seen services, *CableVision* surveyed a broad cross-section of systems, with varying channel capacities and markets. The results are not a definitive statement on the viability of any service, but rather, an indicator of how they are being perceived by operators across the country.

The proposed services operators ranked highest by a significant margin (41 percent) was Landmark's The Weather Channel. With most systems already carrying alphanumeric forecasts, the new free video version is a natural replacement. The only snag will involve channel reshuffling since several systems' alphanumeric services share a channel with stock or other news, said Doug Holladay, director of marketing for The Weather Channel. According to Holladay, The Weather Channel currently has contracts representing approximately 3.4 million subscribers, which is the largest subscriber base any service has launched with thus far. The closest was CBS Cable which launched with three million subscribers in October.

Placing second in the survey with 30 percent was CNN 2, edging out Westinghouse's Satellite News Channels by nine percent. Over half of the respondents' systems already carry the original CNN. CNN 2 is projecting to make its January 1 launch with between 700,000 and one million subscribers. Preferring not to "play numbers games," News Channels would not reveal its current subscriber commitments.

The Nashville Network and Penthouse's PET Network tied with 16 percent for third place, closely followed by The Entertainment Channel and The Cable Health Network at 15 percent. Only one percent lower was Times Mirror's Shopping Channel. Daytime, UTV and Cinemerica all received less than five percent. (The Westinghouse/ Disney Channel had not been announced at the time the survey was taken.)

When asked what kind of programming is still missing, no single program concept emerged. What did was a variety of narrowcast topics. These included a 24-hour educational channel, consumer reports, a financial channel, soap operas, science fiction, classical music, game shows, cartoons, documentaries, a historical channel, night club acts and a 24-hour "preaching channel."

While at least a half dozen recent programming entrees are banking on the appeal of R-rated services, only ten percent of those operators surveyed said they intend to add such programming. Eighty percent stated that they would not carry such services and four percent answered "maybe." Responding to these results, one representative of an adult service, who preferred to remain nameless, believes many operators say they will not add R-rated services, but most likely will. Pointing to the failure of Front Row and Take Two (Showtime and HBO programming minus the R titles), he insists that such movies have proven their value.

Jerry Maglio, vice president of marketing for Escapade, who doesn't believe his company's service should be classified with other R-rated services, states that Escapade is doing well, having amassed 250 affiliates in its first year of operation. According to Maglio, the stigma attached to adult services will eventually diminish, perhaps in 12 to 18 months when most of the industry's franchising is over. "Systems will be pushed to change by the attractive profits that can be made off this programming," he said.

As for the established services, operators report that those with the broadest appeal and longest track records are the ones generating the most positive subscriber feedback. The three top pay networks placed in the top five (it should be noted all three have the largest marketing budgets in the industry).

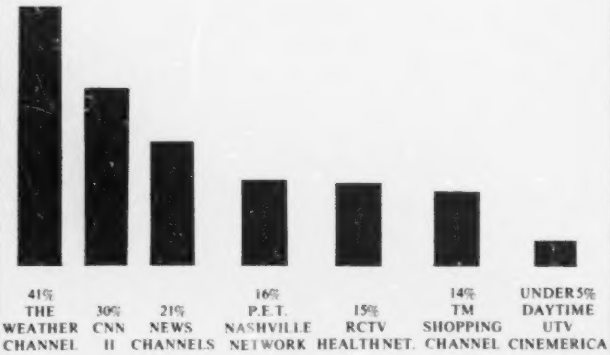
According to the survey, The Movie Channel came out on top with 71 percent of the systems carrying the service receiving positive subscriber feedback. CNN placed second at 68 percent, followed by ESPN at 64 percent and HBO at 61. Showtime ranked fifth with a 46 percent rate of response. Only four points behind was WTBS. The newest entrees making an impact were MTV (33 percent), and CBS Cable and ARTS both at 20 percent.

Not surprising, nearly all of these same services were listed in the top ten when operators were asked which services provide the best affiliate support. In this category, HBO placed first at 61 percent, followed by MTV at 56 percent, Showtime at 52, The Movie Channel at 49 and ESPN at 48. (For further rankings, see the accompanying charts on p.56 and p.61).

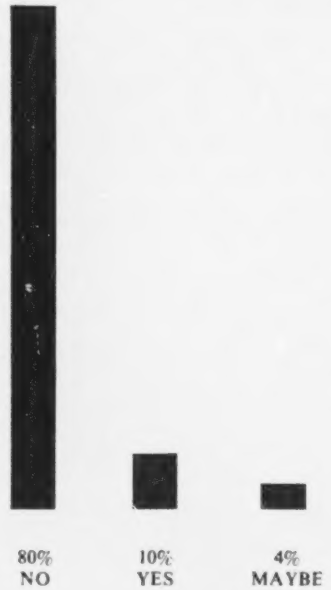
Overall, operators reported that they are largely pleased with the current programming. Duplication and too many repeats, however, are still major complaints. There is also a growing concern over the amount of control programming services have in systems. Urges to "be cautious and not let the programmers attempt to control the cable industry," coupled with demands for carriage compensation were frequent responses, as was the contention that there will be a shake out among the numerous programming hopefuls. For now, when it will occur, and who and how many will survive, is ony speculation.

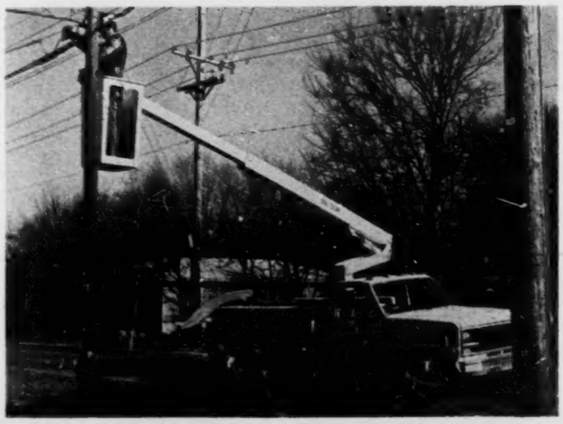
—*Susan Spillman*

PERCENTAGE OF SYSTEMS INTERESTED IN CARRYING PROPOSED SERVICES



DO YOU PLAN TO ADD ANY R-RATED SERVICES?





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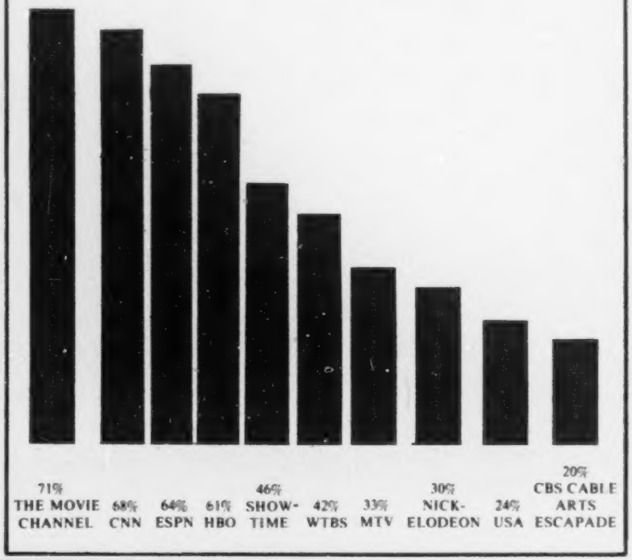
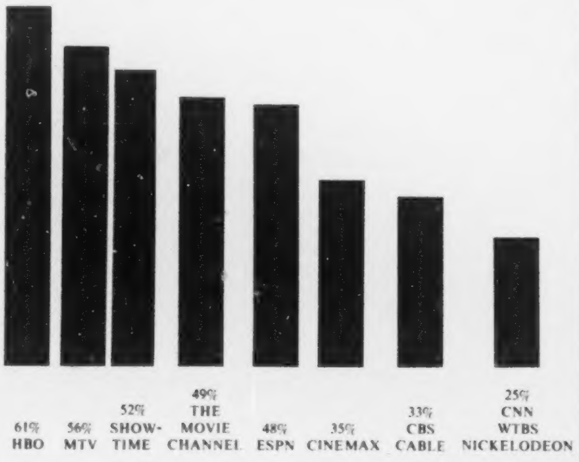
PERCENTAGE OF SYSTEMS RELAYING POSITIVE SUBSCRIBER FEEDBACK



BEST AFFILIATE SUPPORT



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The new era

Refranchising comes of age

"Keokuk isn't Boston" goes the refranchiser's refrain. Is it whistling in the dark?

The din rises from the saber-rattling that heralds refranchising. It comes from town council members who have read of major market promises and want to extract similar services, from the MSO on an acquisition trail who threatens overbuild to clinch a buy-out, from local VIPs with political chits to trade for entry into cable ownership, from the rogue company late into franchising and looking for a shoehorn.

It was one thing to bank on long-term revenue from untried services in new markets as long as there was uninterrupted cash and borrowing power based on the old ones. Long-cabled communities are holding renewal hostage to upgrades. And because of the impact of the strategy on cable's classic economies, it is fast becoming one of the industry's central concerns today.

The clangor is still largely in the distance for most companies, but here's what happened in three prophetic refranchising episodes this year:

Austin's Capital Cable, at loggerheads with the city for two years over its unwillingness to invest in rebuilding its 12-channel, 20 year-old plant, retained enough leverage to ward off new bidding and arrange a $55 million sale to ATC.

Outcome: Capital was renewed for 15 years, based on ATC negotiators' promises of undisclosed millions of dollars in modernization.

Arlington's ARTEC, forced by its lender to seek early franchise extension in order to get the debt restructuring it needed, was challenged by Cross Country Cablevision, a small MSO campaigning for a bigger chunk of the industry. (See related story, p. 201).

Outcome: ARTEC won a 14-year extension, promising immediate improvements to the three-year-old system and future upgrades estimated to total $12 million.

Santa Barbara's Cox system no sooner finished negotiating for upgrade of its 19-year-old, 12-channel system than a local partnership secured city permission to file a competing bid.

Outcome: Cox won, by unanimous vote, and will spend $18-20 million to rebuild.

Inverted pyramid

Cable's refranchising era is about to open in earnest. Ahead lie years of reckoning for some of the country's oldest operations. Some MSOs are teetering on the wrong end of a pyramid. Their cash machines are their vintage systems, now coming to the end of 15- to 20- to 30-year franchise agreements. Simultaneously, well-publicized major market builds have schooled city fathers everywhere in what they might demand, as *CableVision*'s survey of 243 mayors attests on page 157.

Though the air is scarcely moving yet—and the squalls that did arise have been quelled, as we've just seen—the subject is an extremely touchy one among operators well-, ill- or indifferently prepared to weather the storm. (See chart on p. 134.)

"I'm not crazy about talking about our 12-channel systems," grumbled one MSO franchise chief, who has 48 systems serving 58 percent of his subscribers coming up for renewal before 1990. "Every competitor will just use it against us." And, indeed, the 12-channel headcount has become part of franchise-jousting. Cities now are beginning to ask how many of an applicant's markets are underserved by current standards. The question is part potshot: It does serve as a gross strainer early in the filtering-out process.

But it is undeniably relevant. Every company faces rebuilding. Money is expensive. How much snapping at its flanks from old and jealous claimants is a franchise-winner likely to be up against at the same time it tries to keep commitments in one or more new builds?

Given the National Cable Television Association finding that 2,400 of 3,500 systems tallied in April are 12-channel or less, it proves little to simply single out companies with a lot of them. The question is how quickly and extensively they will be upgraded. "In this environment, it's not a question of 'do I improve the system or not?'," says Warner Amex chairman and CEO, Gustave Hauser. "It's just 'do I do it earlier and to what level?'" Still, the massing of the raw data in one spot—a city councils's files—is viewed warily as a map for challengers seeking breaks in the fences.

(In fact, though, many companies vaunt the same privately collected data for a bit of their own saber-rattling. "I know where everybody's vulnerable," alleged one MSO president. "It's a basic principle of military warfare. If you expect pressure, be ready to create some counter-pressure.")

The pace of pre-1985 renewals is set out in the chart below—a *CableVision* summary of estimates compiled by the Cable Television Information Center. "The real crunch period for the industry is going to be 1981-85," says Rob Stengel, vice president of government relations for Continental Cablevision. "It's right on the heels of the franchising frenzy. Later on, the craziness will have abated. In fact, some of the super-offers will have been shown up as failures. I'm a lot happier to face renewals after '85 than before." U.S. Cablesystems general manager Vernon Achbar says much the same. "When major urban franchising is over, the hype will die and realism will set in. As the operations people replace the franchise-writers, we'll see whether companies can deliver. People will look twice at re-franchising if the major markets fall short on accomplishment."

The first shot

Not everyone accepts that chronology. With so many companies still distracted by franchising and building for the next few years, it may be that refranchise challenges will elicit no real attention from major companies until later in the decade. Deflecting attention are the acquisitions still more or less steadily pacing the trend to consolidation. Operators nearing retirement will take a buy-out offer as a ticket away from refranchise-provoked upgrading. Companies that won a couple of markets and failed to get the contiguous ones will bow to the regional powerhouse. "There will be big metropolitan complexes such as we have in Cincinnati," said Hauser. "That makes the most sense on an economic level. It will take acquisition. Whatever 'wresting' of franchises takes place will be spotty, confused. You could wind up with this piece and not the other one."

While acquisitions are also more peaceful than refranchise conflict, the renewal era is putting high-priced damaged goods and systems built to be sold on the market. "There's not a lot of quality growth potential out there," says Prime Cable President Bob Hughes, scouring the possibilities because his company's growth will come, he says, largely through purchases. "Some prices I've seen reflect delusions of grandeur," said Teleprompter President Bill Bresnan, "considering the earning capacity behind the for-sale sign."

A few operators look to an era of trades, though they have proved elusive because of the difficulty of equating such system variables as demographics, location and plant condition. "We've always expected we'll be doing a lot of trade-offs after franchising is over," said Cox Cable's vice president for corporate development Bruce Burnham. "Chicago is a good example. We have five franchises there, but there must be a dozen companies in the market. Ultimately, it will all shift to a better balance."

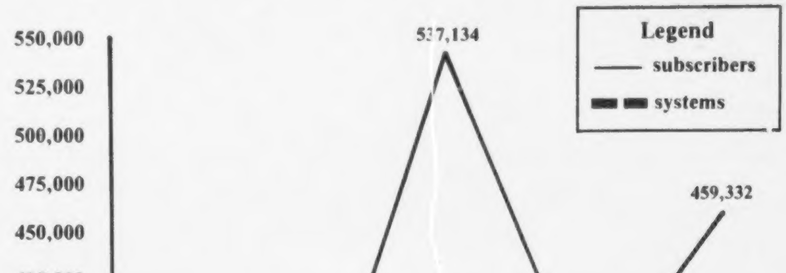
"I'm a great believer in trading systems," says Rogers Cablesystems' Ted Rogers, whose Canadian-based company will serve two million subscribers through its alliance with United Artists Theater Circuit in UA-Columbia Cablevision. "I'll sit down with someone and we'll hammer out the regional hubs that make much more economic sense."

And then? When there's nothing left to win or buy or trade, nowhere else to go, and there's still what amounts to a professional army of franchise troops, that's when the fighting over renewals will begin, so the prophecy goes. "In 1984, things will start snowballing," says First Manhattan analyst Alan Kassan. "It will last three or four years and it will be won by the richest baseball teams. It's cable's free agent wars, with the cities in the role of free agent."

But those predictions of a hiatus in the near term ignore two things.

(1) On cable's periphery are the small, ambitious younger companies, local investment groups, telcos, and newspaper publishers that lost out on or abstained from the franchising gold rush. But they have no reason not to take their refranchise chances now. Indeed, for them it's now or never. The ingredients are there: prime, beckoning real estate and the perception of operator inadequacies. Commonwealth

Systems/subs affected by franchise expirations



Source: Cable Television Information Center

Telephone has already leapt into New England markets with promises of better service than companies in place. The ambition of a tardy cable entrant was immediately on full view. "People without a real stake in the business could precipitate refranchise wars," said Viacom Senior Vice President of Operations Ed Bennett. "It will be the renegades, the mavericks, the newcomers."

Meanwhile, the FCC's unanimous vote last month to move toward deregulating commercial network and local broadcast cable ownership is widely expected to carry. Months before, CBS sensed the sentiment and won a waiver of the ban on network involvement. It is bidding for its allotted universe of a 90,000-subscriber laboratory. ABC Executive Vice President Fred Pierce has vigorously protested the "arbitrary rule" that prohibits networks "from competing in the [cable] marketplace if we so elect."

But the regulatory blessing may come at a point when no network can do much about it. System management is a foreign business. If the networks were to enter cable wholeheartedly, it would almost certainly have to be through MSO acquisition, with irresistible contracts for existing management. Balance sheets are currently not very accommodating to that move. Networks' free access to system ownership might keep prices high or drive them even higher. But there seems little expectation either network would, in today's market, seriously consider borrowing the several hundred

The franchise flint

City	Date Awarded	Winner	City Tailored Specials	Channel Capacity
Tucson, AZ (135,000 homes)	October '81	Cox Cable of Tucson	● Formation of the Tucson Telecommunications Center ● $1.6 million access package ● $2.1 million for community programming	Interactive 108 channels
Boston, MA (242,000 homes)	August '81	Cablevision Systems Boston Corporation	● Formation of a non-profit corporation to oversee and manage the public access and local origination channels; corporation will be supported by 5% of gross revenues from the cable system ● $500,000 capital investment to help finance a Boston-based, broadcast-quality production studio ● Commitment to support the Boston production studio by purchasing $1 million in production services annually ● Construction completed in 3½ years	Interactive 106 channels
Dearborn, MI (35,000 homes)	March '81	Teleprompter of Michigan	● $1 million cash security deposited in the city's name with interest going to the city ● $150,000 for community programming ● Two full color studios ● Two mobile vans ● Seven editing rooms ● 11 programmers dedicated to producing community programming	Interactive 52 channels
Fort Worth, TX (160,000 homes)	March '81	Sammons Communications, Inc., of Fort Worth, Texas	● $1.25 million for community program complex with central production center to be housed at Will Rogers Coliseum ● Three mobile vans ● $75,000 annually for community programming ● $50,000 for internship program ● $100,000 to upgrade existing educational tele-production facilities	Interactive 61 channels
Indianapolis, IN (140,000 homes)	February '81	American Cablevision of Indianapolis, Inc. (ATC)	● $850,000 estimated for community programming (joint venture with minority entrepreneurs) ● Four access studios ● Two mobile vans ● Eight access channels	Interactive 42 channels
New Orleans, LA (220,000 homes)	December '80	Cox Cable TV of New Orleans, Inc.	● For local TV station WYES-TV a satellite uplink with income from its use and two cable channels ● Six local studios ● One mobile van ● 30 portable cameras ● $200,000 in grants for local programming ($3 million invested for local community programming needs)	Interactive 54 channels

million it would take to buy, say, United or TCI. Nor could it happily accept the earnings dilution such a buy would prompt. (There are the rumors, fostered by TCI itself, that joint venture discussions with "the networks" have been held aiming at the same sort of system acquisition and program testing alliance TCI made with Taft Broadcasting early this year.)

(2) Also suggesting that the battlefield will be left to the peripheral players for a while is the attitude toward refranchising expressed by the top MSOs. There is nearly universal repugnance toward any infighting. "We'll be making a big mistake if we use wild promises as a negotiating tool with cities looking [to replace an] operator," said UA-Columbia President Bob Rosencrans, taking a pragmatic can't-win attitude to renewal challenges. "We'll have to learn for those weird and crazy franchise bids that our enemies are ourselves. We've made peace with everyone else." That pragmatism found a near echo from Storer Cable President Arno Mueller. "Right now, it's not our intention to go in and upset anyone's act. The incumbent has such an advantage, even if his performance is less than exemplary. If he's bargaining in good faith, we wouldn't get involved."

That sentiment cannot be said to be statesmanship on the one hand or collusion on the other. It is chiefly self-interest. Would United have affiliated with Cox Cable's INDAX in Denver if the Cox franchise cohort was off making things hot in United's vulnerable older systems? Companies may simply get too interdependent for one division's aim to be at odds with another's. (See *CV*, 11/2/81, p. 19, for a listing of MSO involvement in

(Continued on page 125.)

City	Date Awarded	Winner	City Tailored Specials	Channel Capacity
Cincinnati, OH (161,000 homes)	November '80	Warner Amex Cable Communications of Cincinnati, Inc.	• Shared use of three full-color studios at Crosley Telecommunication Center WCET-TV Channel 48 • Four full-color neighborhood access studios • Two color access origination studios at Cincinnati's main public library branch and at the University of Cincinnati • Three mobile vans	Interactive 138 channels
Portland, OR (120,000 homes)	October '80	Cablesystems Pacific (Rogers Cablesystems)	• $400,000 in equipment and facilities dedicated to community access • $2.7 million in operating support over ten years above and beyond franchise fee	Interactive 108 channels
Dallas, TX (400,000 homes)	October '80	Warner Amex Cable Communications of Dallas, Inc.	• Estimated $2,144,000 • Five full-color studios • Five additional access centers • Three color-equipped mobile vans • 20 color portable packages • 50 portable modulators for origination of programming from any location connected with the institutional loop	Interactive 100 channels
Omaha, NE (125,000 homes)	September '80	Cox Cable TV of Omaha, Inc.	• One local origination studio • Four access studios • Two mobile vans • Capital investment over ten-year period for local origination and access production facilities totals $1.8 million • $251,000 in production to various colleges, universities, and hospitals throughout Omaha (Cox will also commit a ten year local origination budget of $5.4 million)	Interactive 108 channels
Pittsburgh, PA (181,000 homes)	January '80	Warner Amex Cable	• ($3.32 million for studios and equipment) • $1.16 million for exclusive community use • $236,000 for equipment and servicing a government TV studio facility located in the city county building • $200,000 grants made to the city to be used at its discretion in achieving goals of community communications • $165,000 in Honorarium for assistance in presenting community programming • Two mobile vans • Five color TV equipment studios • A full-time channel and over $60,000 in equipment for use in the production of local religious programming • 15 percent discount on cable services for senior citizens	Interactive 78 channels

(Continued from page 120.)

entertainment programming alone.)

And even among those with no services to market to erstwhile competitors, the plain fact is that every company's rebuilding plan, however vigorous, is still incomplete. Every one has straggler systems that might be picked off. And the quickest way to open the season, all agree, is to take the first shot. "I take my lead from President Reagan," says Ted Rogers. "We're peaceable. We would not launch the first attack. But if someone comes after us, we won't rest until we make him wish he'd never thought about it." Another CEO, who requested anonymity "because my idiom is not well-chosen," put it equally colorfully: "When someone starts messing around with someone else's wife, his wife becomes fair game right away."

Turning tables

A large part of the reason refranchising now looks remotely like franchising is that certain franchise authorities would have it so. In some localities, renewal gives them their first real opportunity to retaliate for genuine or imagined lack of service.

Consider a decades-long bond between shifting corporate and political personalities, during a period when CATV signal retransmission grew to what cable television is (or promises) today. It just wasn't fated to be silken. "The industry by and large has been a good corporate citizen," says ATC Vice President June Travis. "So long as we've been reasonable business partners, things will go smoothly when refranchising comes along." But one respondent to *CableVision*'s survey of mayors, heir to the tail-end of a 30-year franchise, describes his bent toward non-renewal in Declaration of Independence style: "The franchise was granted . . . by a former government body before cable television was recognized for what it is. No controls were retained. Consequently service is poor, rates are high and the public suffers generally." Said another, preparing an RFP, "The system is acceptable under the existing franchise, but obsolete in light of present capabilities."

Franchisees no less than franchisors describe those early agreements as "vague." "In the past," Mueller said candidly, "there was a lot of disregard for the desires of the cities. Some of us didn't feel any obligation to listen. Today that's not good business. In the new franchises, cities took a high profile. Council members going into renewals can read. All those well-publicized contract specifics in major markets are serving as the pattern for older markets."

"I'm not crazy about talking about our 12-channel systems," grumbled one MSO chief, "every competitor will use it against us."

And this time around, the negotiations are orchestrated very differently. One of the more significant developments of the current franchising era has been the rise of a new class of professional negotiator, whose skills are kept honed, of course, on the growing sophistication of municipal counterparts and their consultants.

"The points included in a modern, tough ordinance were simply never thought of years ago," says Martin Malarkey of Malarkey, Taylor & Associates, the industry's oldest consulting firm, "and not just because of technical advances since then. Now franchise renewal agreements bind operators not only to leased access and local origination channels, but to schedules for new tiers of service, provisions for timely extension, revocation terms, monetary penalties. . . ." Malarkey's firm and the active CTIC are both bellwethers for the increased reliance of renewing communities on the same consultants who shepherded the new markets. And both say their first recommendation is that the city negotiate with the system in place. "We start from the premise that the city is best off to reconcile itself with its existing operator even if there are problems," CTIC executive director Harold Horn explained. "We're there to lay out options."

"I know where everybody's vulnerable," alleged one MSO executive. "It's like military warfare. If you expect pressure, be ready to create counter-pressure."

(Despite their favored recommendation to make peace, both men say, one hot question from cities continues to be, "Exactly what happens the day we take the franchise away?" When it comes right down to it, there is the sticky problem of all that plant to consider. "One advantage the incumbent has," incumbents say reasonably, "is that as long as he stays, service isn't disrupted." But what if he's not renewed? "If it were my company," said one, "I certainly wouldn't sell the system to my replacement. We'd never agree on whether it's to be priced at worth or at salvage value, for one thing. He'd have to do all the make-ready and get all the regulatory approvals. He couldn't use our lines and probably he couldn't get space on the poles until we come down. When do we turn off and he turns on? There might be a year's break in service or more.")

"But what if she's flirting?"

One of the options presented by city consultants has led, for some operators, to a weekly ritual. Cities now customarily send out letters or less formal signals, expressing disgruntlement with the current operator and interest in reopening the bidding when the franchise comes due.

"It's one thing to covet someone's irreproachable spouse," said yet another MSO executive in search of just the right analogy, "and quite another when the spouse is flirting." By their own and city consultants' accounts, most cable executives still flee the flirtation. In among the judgments that it is bad form "to cut in on someone else's act," as Mueller put it, there is, again, good bedrock self-interest.

Former NCTA government affairs chief Bob Ross recalls one MSO's "artfully written" response to such a feeler. "We appreciate your interest. The company already there is one of the leaders of the cable industry. We are somewhat surprised you are considering opening bids. In any case, our practice is not to apply in areas already provided with cable service." "It was very gentlemanly," Ross said, "and I can see that sort of Marquis of Queensbury approach continuing . . . partly out of fear."

"We would not go into refranchising," said Prime Cable's Hughes flatly. "Those of us who grew up in this business, upon whose companies the industry was founded, aren't going to actively engage in that process. [Hughes presided over Communications Properties, Inc., before its acquisition by Times Mirror.] If it were to be widespread, we'd just be jerking the rug out from under ourselves. The real value of a system is lenders' predication of a virtually perpetual franchise. If money sources become concerned, or worse, convinced, that franchise turnovers are going to be commonplace, the whole character of industry financing will change."

The echo here, of course, is from *CableVision*'s recent survey of top lenders, ("Where the Chips May Fall," *CV*, 11/2/81, p. 36). Said Ken Phillips, second vice president, Teachers Insurance and Annuity, "Refranchising makes me nervous. There will be some bloodletting in this business. The number of refranchising situations a borrower faces does affect creditworthiness in our eyes. One of our covenants is that the loss of any franchise would be an event of default and our money comes due immediately." And at the industry's largest lender, Chase Manhattan Bank, Senior Vice President Tom Reifenheiser telegraphed tight restrictions even for refranchise winners. "Refranchising is a worry. If a significant number of a customer's franchises are coming up for renewal, it's a drawback. He may keep [them], but on a much tougher basis."

Operators use the need for financial certainty as a bargaining chip in refranchise negotiations. "It's not in the public interest to force a company to decide that the rules of the game now are that at the end of 15 years, everything is up for grabs. At year 12, you can't replace drops. At year ten, you can't replace cable. After year seven, you can't afford to rebuild. You're forced to manage the system so that by the fifteenth year, all the returns are in, neat and tidy," says Teleprompter's Bill Bresnan.

"This business has always required continuous rebuilding. You shouldn't have to decide whether or not to do it with your eye on a meter. If that kind of instability is introduced into the industry, it can't help but be reflected in operations.'

In other words, the very upgrading that would prevent most cities from bothering to look elsewhere for cable service could be made less likely by the spectre of cities looking elsewhere for service. But the cities can set up a vicious cycle just as deftly. Older markets see themselves, in the inelegant cable jargon, as cash cows being milked for revenue. There is now the threat of franchise termination precisely because none of the cash was fed back into the market it came from. To elicit the promise of reinvestment, say the cities, it's politically necessary to have an alternative in the wings, even though its presence worries reinvestors.

In addition to the financial repercussions of refranchise fights, there is also the threat of a free-for-all. "Once you start, there's no end to it," said Continental President Amos (Bud) Hostetter, matter of factly. "I don't want to sound corny," Bresnan offered, "but I wouldn't want to set myself up as judge and jury. For us to respond to a city's invitation to re-open bidding—and we never have—it would have to be a clear case of franchise abuse. Anyway, I'd look twice at a council that's soliciting newcomers instead of talking with the company in place. If it does it to one, it can do it to us. A couple of cities we're in have contacted others about replacing us. Neither got any expressions of interest and they never did put out an RFP [Request for Proposals]. We were renewed, as we always have been. I think it's all right. They're just feeling things out, letting you know what they could do if they chose."

Comcast President Chris Derick concurs. "We've been contacted frequently [by cities on the prowl]. But if the company already operating there is doing the job we'll all be forced to do, it's going to get renewed. The city is so obviously bluffing to strengthen its bargaining position. I'm not willing to be a pawn, knowing in all likelihood it will go with the company it's got. In fact, when I talk with city officials who sometimes call out of the blue, that's basically what I tell them: 'You have enough leverage. Use it. Know what you're asking is reasonable in a market your size and go after it.'"

"We're peaceable. We would not launch the first attack but if someone comes after us we won't rest until we make him wish he'd never thought of it."

—Ted Rogers

No bluff in Boulder

Cities have leverage, all right, and "it's spelled e-x-t-o-r-t-i-o-n," snapped Harold Farrow, counsel to TCI in its suit against Boulder, Colorado. It would be a landmark case in any circumstances, testing as it does the home rule power of cities over enfranchised businesses. But coming at the dawn of the refranchising era, it has an anxiously attentive audience.

The facts are well-known. TCI acquired a ragtag locally-owned system in Boulder, franchised in 1964. According to the city, TCI had done virtually nothing to improve it by 1980. Finally, Boulder decided to slap a moratorium on any further building by TCI and open the market to new bids. TCI, not for the first time, sued its host city. But this time, the contest has gone all the way to the Supreme Court, where Boulder and its consultant, CTIC, seek corroboration of its authority to act, against Farrow's assertion that TCI's protection under antitrust law has been violated.

Though the high court's decision probably will not be handed down until next spring, veteran court watchers are betting the verdict will turn on the narrow issue of whether the city council could legally limit TCI to wiring only a portion of Boulder. (Under an exemption to antitrust law granted years ago by the Supreme Court, states—not cities—can take action that might otherwise be a violation if some other interest can justify it. Under Colorado's constitution, cities of a certain population have the same immunity. Boulder is claiming the constitution covers its TCI decision.)

(Continued on page 133.)

Refranchising feature

(Continued from page 128.)

The court is expected to bow to practicality. Which way it will bow is, predictably, the subject of argument. Mark Wawro, whose Houston firm Susman and McGowan is involved in a cable operator's antitrust suit against the city, expects a TCI victory on the grounds that permitting Boulder to do what it did opens up "a too-parochial enforcement of antitrust law." Cable operators themselves have mixed feelings about that outcome. If their colleague, TCI, wins (and many MSOs wince at being identified with the avid collector of older 12-channel systems whose current publicity is one more spotlight on lagging upgrades), municipal regulation of franchises could be nullified with devastating effect.

If cities' police power over cable were restricted by what could be a precedent-making decision, what would happen, wonders attorney Bob Ross, to exclusive franchising, to cordoning off areas among separate systems—to all the clauses that limit the threat of overbuilds? They would be lost right along with the freedom to do just the opposite—invite in other citywide franchises and extract expensive upgrades.

But if Boulder does win, the whole backdrop to refranchising will be thrown into relief. That backdrop is the shifting of clout in cities' favor. And, in the foreground is played out the simultaneous drama described earlier: a status quo, a gentleman's agreement held in balance by MSOs who fear retaliation more than they covet other companies' markets and who, meanwhile, must hod off the last-chancers and new entrants eager to harvest systems where they can.

Overbuild oratory

Many companies seem to regard the non-exclusive nature of most franchises as an open secret. The road is clear but few have looked down it and those who have generally aren't interested in following in another's footsteps.

But, given the Boulder intention that provoked the lawsuit, whether it wins—and can let a second franchise—or loses—and hasn't any control over cable within its borders, "It's like running up a flag to the world" announcing the dawn of competing cable operations, worried one ambivalent MSO chief.

Overbuilds are still only a little less roundly damned than refranchise fights. The difference now is that MSOs are involved, albeit on a selective basis. Their willing spokesman is Cablevision Systems' Chuck Dolan, whose franchise director Shiela Mahony recently informed the rest of the industry that the day of exclusive franchises is done and, more ringingly, "not every franchise is sacrosanct" once it's won.

Dolan elaborated recently, in the context of the refranchising question. "Refranchising is not a natural market. It emerges only from neglect. It's not an issue at all except for companies draining little communities of cash flow to finance major builds.

"Operators should be unassailable. Not for any legal reason, but because they systematically pre-empt any improvements another company might offer. Those who don't, too bad. They're liability to all of us.

"The challenge for this company is not refranchising but someone coming in for a second franchise. It will

"Cities have leverage, all right, and it's spelled e-x-t-o-r-t-i-o-n."

—Harold Farrow

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happen. We're interested only in a limited number of large markets. They're attractive, and not only to us. If we lagged in Babylon [Long Island] and the council started sending out signals they thought we were inadequate, we'd expect another company to come in."

Acknowledging that he is not merely resigned to being overbuilt himself, Dolan explained, "We're not going around in an opportunistic fashion scouting overbuild locations. But I don't deny that theoretically some are desireable.

"There is no *esprit de corps* in this business that says one company shouldn't compete with another. We're a poor industry if we have such an understanding. Communities could never count on a level of proper service."

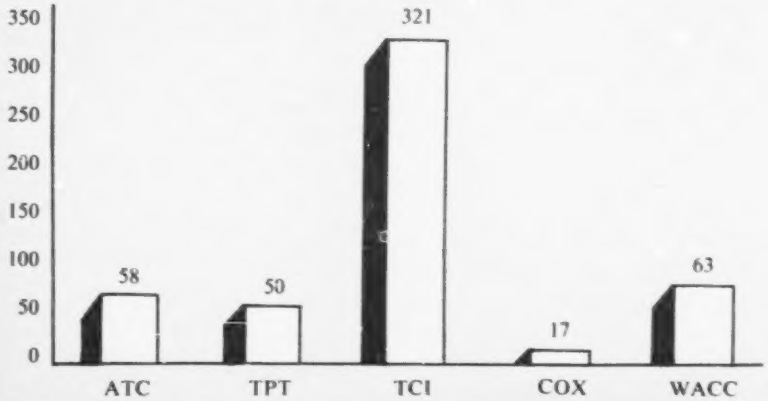
Top 20 MSO franchises expiring between 1982-1992

Operator	Number of franchises
American Television and Communications	76
Teleprompter	85
Tele-Communications	341
Cox Cable	31
Storer Cable	N.A.
Warner Amex Cable	80
Times Mirror Cable	N.A.
Newhouse Broadcasting	N.A.
Viacom Cablevision	64
UA-Columbia	N.A.
Sammons Communications	166
United Cable	38
Continental Cablevision	67
General Electric Cablevision	N.A.
Cablecom General	N.A.
Telecable	2
Heritage Communications	74
Liberty Communications	N.A.
Cablevision Systems Development Corporation	0
Service Electric Cable TV	100

The following three charts were derived from information filed with the city of New York by each respective cable company. The city's consultant, Arnold & Porter, requested that all bidders competing for the city's four unwired boroughs file a "Supplemental Information Report" regarding the status of all their cable systems. This was the first time large MSOs were forced to submit such information.

The major cable companies complained that the requests were too burdensome, but on June 1, 1981, all bidders filed mammoth financial reports detailing the status of their respective cable properties. Some of the information is confusing. Normally, an MSO with several small cable systems and few subscribers, serving contiguous areas, will record those areas as one franchise. For the purposes of New York City's consultant, companies were required to record every municipality it had a franchise agreement with. Therefore, the numbers in the following charts will reflect a total number of franchise agreements, more than is usually reported by the cable operators.

Total Number of 12-Channel Systems



Easy for him to say, mutter other operators who have long taken umbrage at Dolan's maverick ways. "Remember, he got into franchising late. So he's not as vulnerable because his systems are modern ones," says UA-Columbia's Bill Koplovitz, vice president of corporate development. UA and Cablevision Systems are the most famous market competitors in the industry, and UA's lack of enthusiasm for what it says is the doubly expensive cabling of the New Jersey markets they share is equally well-known. (See *CV*, 6/1/81, for a detailed description in "How Safe Is Cable's 'Natural Monopoly'?") "Nobody with any experience in this business would operate side-by-side with another system," Rosencrans still insists. But because Dolan obviously disagrees, and the industry is on notice, one operator breathed a noisy sigh of relief when Cablevision Systems won Boston. "The best thing that ever happened to the industry was to have Dolan get bogged down in major market builds. He won't have time to listen to a different drummer anymore."

For some others, though, the drumroll has proved seductive. When Phoenix "sent out signals" that it was less than pleased with the pace of construction by 1976 franchisee American Cable, Storer and Cross Country were both in the area scouting the suburbs. It was just a little detour to go in and talk with the Phoenix council. Each came away with a non-exclusive franchise in the first, and so far the only, municipal go-ahead to more than one system wiring the entire city.

(Cross Country partner George Ring declined an interview for this story, sending word through a secretary that "There are lots of tycoons around whose comments are more pertinent." The New Jersey-based MSO, brainchild of commodities expert James Sinclair, represents to many the aggressive small company expected to make a run on vulnerable markets. [See story on ARTEC, which it challenged.] In addition, it is said to be very close to agreeing to be bought by TCI so it may also turn out to have been a spear carrier for the equally aggressive MSO.)

For Storer, it was an uncommon strategic detour. "We have two-three overbuilding situations," said Storer's Mueller. "We don't do it on a general basis." Phoenix, he said, did let citywide franchises, but we're all building in different areas. What constitutes overbuilding anyway? The first one with strand up? The first providing service? It's difficult to sort out when both are building, and it seems to me the only real overbuild is when you come in on top of an established operator." If someone did it to Storer? "You can't turn and run. You have to stand your ground or you invite raids."

"The city council really struggled," says Terry Parker, Phoenix's representative to the new National Associates of Telecommunications Officers. "The same companies who wanted in had been saying elsewhere that exclusive licenses were the only way to go. There were several 3 to 3 votes until the mayor was finally free to enter. He gave a speech on free enterprise and competition and cast his vote for competition."

Meanwhile Times Mirror, 20 percent owner of American Cable, plans to increase its interest to 50 percent, and its corporate ambitions are expected to roil the waters further. While T-M is rumored to be considering overbuilding, Senior Vice President Dowe Carpenter said at a recent meeting of Wall Street analysts, "I doubt [we would overbuild existing systems]. It sounds to me like a senseless endeavor." Asked if the company would overbuild in Phoenix, Carpenter said "no."

Nevertheless, the outcome in Phoenix is still unpredictable. But the preliminaries are notable. Storer and Times Mirror face each other from the north and south sides of one street but no marketing of that neighborhood has begun and Storer has already said it won't come that close to real overbuilding anywhere else in town. Other areas are, as Mueller said, separate. Even the competitive pricing and service constellations the city expected to encourage with its tactic have yet to appear. "At some point, they'll bang into each other," said Terry Parker, and head-to-head competition will start. "But what's happened so far is that construction is slowed. We can't figure it out. The newspapers all ran predictions about range wars [primed perhaps by last year's go-round between American Cable's existing HBO-via-MDS operation versus Oak's new STV offer]. . . It's a little disappointing, to say the least. We only have 6000 subscribers being served after a year and a half."

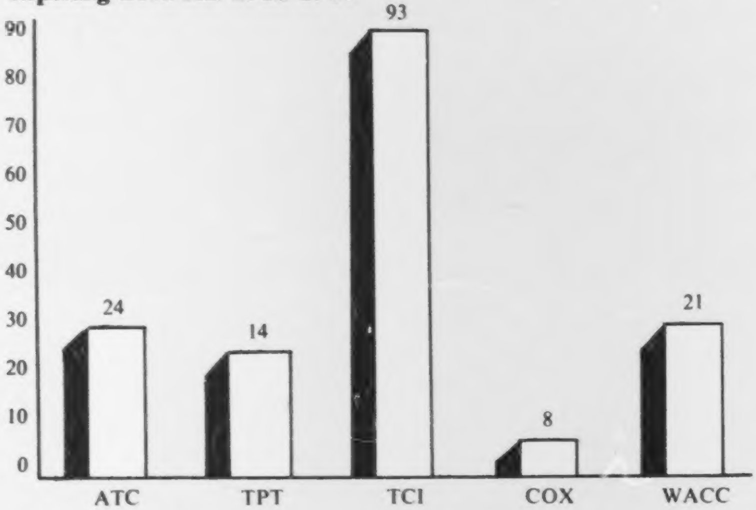
(Though Phoenix may not be the last to take the franchising route it has, it may have been first partly because of an anomaly that undid the traditional argument against the move. When CTIC's Harold Horn says, "There are probably some places where overbuilds could work, but as a former city official, I can't imagine the cost effectiveness of two utility companies," Phoenix points to its two electric companies. What happened? "They built and built until they hit each other," says Parker.)

A mass of goulash

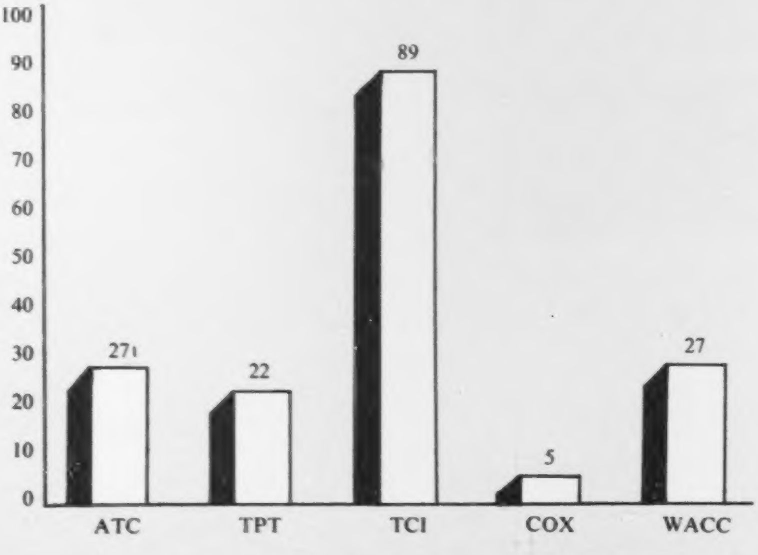
Parker inclines to the view that perhaps the Phoenix franchises didn't study the city's geography very carefully before they came courting. (One major construction delay has been the tardy discovery of a unique system of open irrigation canals—with a unique system of permits every time a cable company needs to do trenching.) Operators are just as apt to charge cities with ignorance of swampy footing on the march to upgrades.

"Cities have to be educated against the people on the sidelines, muscling their way in and mixing things up," says Warner Amex chief Gustave Hauser. "No matter what you have or

Twelve-channel franchise agreements expiring between 1982-1986



Twelve-channel franchise agreements expiring between 1987-1992



> "So long as we [cable operators] have been reasonable business partners, things will go smoothly in refranchising."
>
> —June Travis

what you say, mass confusion sets in. It winds up a huge homogenized mass of goulash."

Cities, of course, view the cable smorgasbord as far more appetizing than that. It's the bill that's in question.

The problem is not rate increases. Universally, *CableVision* found acceptance of the idea that an increase is simply part and parcel of an upgrade. But for years, it was axiomatic for operators that they would spend $150 to $200 per subscriber and take back $7 to $8 monthly for the life of the subscription. Now the additional capital input for a modest upgrade is another $150. In areas where long-term revenue would be compromised if the operator didn't spring for addressability, per subscriber costs can run $300 and more in a 10,000 home system. It is, as Cox found in its $18-$20 million Santa Barbara upgrade, very like starting from scratch.

And, as Hauser says, "These are older markets. They're not going to behave like new builds. It's just a different environment. The culture is set. There's not the appetite for mulitpay, for instance, or the willingness to use the cable from new non-entertainment services. How do you explain that to a city council?"

At today's cost of money, says analyst Tony Hoffman of A.G. Becker, even moderately upgrading operators "need another $7 to $8 to keep even. One more pay channel won't give it to him. Maybe four tiers with sufficient penetration, but what percentage can you expect in a settled market?" First Manhattan's Alan Kassan steps in neatly across the spectrum of opinion from Hoffman. "CATV became cable television dominated by pay, and now it will become a total communications business with ad revenues and non-entertainment services. As systems upgrade and simultaneously lower basic rates, penetration will rise from 50 percent to 70 to 80 percent of homes providing more reach for advertisers. The operators will get what he needs, but from different sources."

"There will," Kassan acknowledges, "be a tumultous interim period."

Cities' sitting ducks?

Since he blames the tumult on the cities, TCI attorney Harold Farrow fulminates against them. "It's just agreed. These places are encouraged by a sub-industry of consultants to fancy themselves social scientists. They're told they are less than good guardians of the public weal if they don't reach out and extort all they can get.

"What is there that's so unique about cable that elected officials who ought to represent a higher moral standard have to use police power against it? We elect people to enforce existing laws and create new ones to solve known problems. We don't turn them loose like a horde of locusts on those who are weak and subject to them.

"In all the operator versus city cases I've been involved in, there is either no default on the operator's part or, if there is, it's created by excessive demands from the city. Franchise fees are so high they siphon money from research and development. Company executives spend so much time with city council members and their consultants, they haven't got enough left to devote to providing good service."

The core of Farrow's rancor is the blooming idea that cities ought to have any power to compel changes in cable plant. (New franchise and refranchise agreements sometimes allow annual or biannual reviews of the adoption of new technology.) "What the hell business of the city council's cable's state-of-the-art? Do they look into the

> "What the hell business of the city council's is cable's state-of-the-art? Do they look into the state-of-the-art of candlemaking or baking bread? Is their interference proper?"
>
> —Harold Farrow

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state-of-the-art of candlemaking or baking bread? Is their interference proper?"

His implication seems to be that operators will upgrade voluntarily. "TCI will build and operate a wonderful system in Boulder. That will be the upshot [of the Supreme Court case]," he predicts.

In truth, many operators' self-interest and avowed corporate commitment to service have meshed quite seamlessly with the introduction of upgraded plant. "We're all big, public companies now. We shouldn't have any 12-channel systems," declared Ted Rogers. "Cable was born in the small markets. Why should they be slighted? Beyond 5000 subscribers, there's no excuse not to have multipay and two-way service."

Operators equally supportive of upgrading stop 'way short of Rogers. There is still belief that proper service can be 12 channels in some markets, and in many more 22 or so will cover the need. "Do as Boston did," cities are advised by its franchise winner Chuck Dolan. "Look at your own requirements for your own community. Don't make it a mindless contest for whoever will make the biggest commitment."

TCI President John Malone could hardly agree more. With 50 percent of the company's subscribers served by 12 channels or less, he is frequently called upon to repeat, as he did to an interviewer recently, his unapologetic, "People don't need all those extra channels."

That kind of management makes Malone a good steward in the eyes of TCI stockholders, since it makes for high margins on systems. But the company was universally held up by the many analysts, city officials and operators *CableVision* contacted for this story as most vulnerable to refranchising challenge. But in digging in its heels on lavish upgrading, TCI seems to have no intention to bury itself in the dust of 1950s vintage systems. To judge by the uncharacteristic flourishes of a recent speech to the Queens Chamber of Commerce, TCI is not entirely immune to the gleaming '80s. "Cable television is the frontier of the future [and we are the pioneers of that future]," said the man who has countless times described cable pioneers as "the ones with arrows in their backs." The $90 million Queens franchise bid, in which TCI is a 50 percent partner, could be "our flagship franchise. We are hoping to give Queens a system so technologically advanced with two-way interactive features, it will serve as a model for the rest of the country."

While TCI may court refranchise problems, it may also outstrip any possible system losses with an aggressive acquisition campaign—"an accumulation game," Malone calls it. To the small independents that are the focus of such activity, embattled franchises are second only to copyright legislations in impact, says Steve Effros, executive director of their trade association, CATA. The group's chairman, Ben Willie, is involved in a nagging municipal ownership debate over his Spencer, Iowa, systems that he'll take to the Supreme Court rather than sell, he says. But other owners of systems surrounded by MSO, Inc., seem prepared to bow out almost without a backward glance. "I'd try to solve any contest using my political ties. But if someone's offering 108 channels to my 12-channel market, well, they can certainly do something

The 15-year franchise

(To the tune of *The Twelve Days of Christmas*)

In the first year of my franchise
The city said to me
"So glad you've brought us CATV."

In the second year of my franchise
The city said to me.
"How 'bout L/O?
And so glad you've brought us CATV."

In the third year of my franchise
The city said to me,
"Give us three superstations.
How 'bout L/O?
And so glad you've brought us CATV."

In the fourth year of my franchise
The city said to me.
"Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the fifth year of my franchise
The city said to me,
"Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

EARL V. DEWALD II

that's uneconomical for me. My investment's returned. I'd sell before upgrading to a point where I'd never get my money back."

Sampling standings

Bob Rosencrans says UA-Columbia's systems are all being rebuilt to 35 channels, with completion scheduled in two and a half years. The willingness to introduce new services, starting with satellite-delivered HBO back in 1975, Rosencrans has always maintained, is what keeps his franchises safe. With the exception of the "peculiar situations in New Jersey" (the Cablevision overbuilds), "We've never been challenged on a renewal." Preparations for refranchising, which are handled locally, begin three to four years before the contract ends. As a result of the gradualist approach, Rosencrans estimated the company will spend only $5 to $7 million on upgrading in the next five years.

ATC started rebuilding about five years ago, says June Travis, and is now doing six-12 systems yearly. "We looked at virtually every system and made the same kind of analysis we do

In the sixth year of my franchise
The city said to me,
"Six towns awarding,
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV.

In the seventh year of my franchise
The city said to me,
Our neighbors all get dual pay,
Six towns awarding,
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the eighth year of my franchise
The city said to me,
"Eight dollars—never!
Our neighbors all get dual pay,
Six towns awarding,
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the ninth year of my franchise
The city said to me,
"We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding,
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the tenth year of my franchise
The city said to me,
"Where's our mobile van?
We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the eleventh year of my franchise
The city said to me,
"You promised more in (Pittsburgh, Tucson, Denver...)
Where's our mobile van?
We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the twelfth year of my franchise
The city said to me,
"Why can't we have two-way?
You promised more in (Pittsburgh, Tucson, Denver. . .)
Where's our mobile van?
We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

in a market. What's the competition, how much demand is there? It's probably true there's no room in our business today for 12-channel systems and every operator is upgrading. But if you oversupply a market by offering more than the city can use, it's the subscriber who pays. After all, we all run profitable companies. But the people we deal with are those we've done business with for many years. We're candid and forthright with each other. It isn't difficult to explain that if you have a small population and you want 108 channels, there are arguments against the 'more is better' approach. These are reasonable business people. They don't get terribly caught up in the rhetoric."

"Renewal starts the day you get the franchise," said Continental's Bud Hostetter, whose annual reviews of seven managers assess their ability to trade upgrades for franchise extensions years before the franchises come due. That's smart, advises CTIC's Harold Horn. "We're seeing refranchise negotiations take 12 to 18 months. You can't roll a system right up to the wire. It starts to decline in its last four-five years, and there's no way to pay for expansion without some kind of certainty." Says Hostetter, "You have to leave yourself room to walk away gracefully if you can't agree and start again another day."

Storer tallies a higher proportion of new markets than any other operator, according to Arno Mueller, and systems there are state-of-the-art: 35 to 50 channels, 300-400 MHz. "We face only a handful of expirations. We'll probably spend $2 million or so this year on upgrades, and I don't expect that allotment to increase in the next few years." Earlier this year, the company formed a corporately based franchise standards staff position to ride herd on synchronizing market promises and fulfillment. Mueller renewal discussions begin one to two years before agreements expire.

Prime Cable, a very young MSO, has no 12-channel systems and no terminations for five years or more. But Bob Hughes says those coming up in seven to nine years are being upgraded from 20 channels to at least 35. "And I suspect in another five years, we'll go to 54. We all just have to face the necessity. Even 20 channel systems are vulnerable to challenge today."

An increasing proportion of its budget goes to rebuilding, says Chuck Dolan of Cablevision Systems' modern plant. "We're upgrading the terminal capacity in the home and triple-trunk; double feed or 400 MHz is standard for us now. I don't have any worry about renewing franchises. Any community we're in will renew us."

"Often systems have to be rebuilt out of cycle with the franchise," says Hauser. "You have to go to the city council and say 'I can't put in all this money without an extension.' We've always done that. We're in very good shape on renewals. A few years ago 45 came up and were done. We've never lost any. But now it's a different environment. It's kind of a nightmare for the industry." In an echo of TCI counsel Farrow, he lamented, "This process is always so diverting from getting on with providing better services. We're constantly locked in these dogfights."

Though not as much as TCI, Warner stands at the top of some lists of vulnerable systems. Especially in Massachusetts, where its Boston bid amazed and angered its large complex

In the thirteenth year of my franchise
The city said to me,
"We're inviting other bidders
Why can't we have two-way?
You promised more in (Pittsburgh, Tucson, Denver. . .)
Where's our mobile van?
We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

In the fourteenth year of my franchise
The city said to me,
"What? You'll do it all?
We're inviting other bidders
Why can't we have two-way?
You promised more in (Pittsburgh, Tucson, Denver. . .)
Where's our mobile van?
We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding
Five miles are due,
Link our four schools,
Give us three superstations,
How 'but L/O?
And so glad you've brought us CATV."

In the fifteenth year of my franchise
The city said to me,
"Well . . . just sign here."
What? You'll do it all?
We're inviting other bidders
Why can't we have two-way?
You promised more in (Pittsburgh, Tucson, Denver. . .)
Where's our mobile van?
We want sports, news and kids' fare,
Eight dollars—never!
Our neighbors all get dual pay
Six towns awarding
Five miles are due,
Link our four schools,
Give us three superstations,
How 'bout L/O?
And so glad you've brought us CATV."

of systems, the company is so noted for its high-tech performance that it is set up for criticism from less elaborately served communities. "We haven't seen any problem yet, though there is some sense here that we might," Hauser says. In fact, the 12-channel Somerville franchise, which expires in 1982, has been rumored as a possible refranchising target for Cablevision, which defeated Warner in nearby Boston.

Refranchising problems "depend greatly on the advice the cities get, the common sense of consultants. Some cities have to have it explained to them in arithmetical terms that you simply cannot do for a 10,000 subscriber market what you can for Dallas' 400,000-plus," Hauser says.

Suburban flight

Municipal telecommunications officers have begun to share uncertainties about the almost completely unregulated area of refranchising through a new national association. "We were so glad to find each other," said one. "It's nervewracking when you think no one has ever faced your particular problem with an operator before."

One of the first waves of information-seeking is the Notice of Inquiry put out by the Massachusetts cable commission in October and now being circulated among the states. Cable commissioner Thomas Steel spelled out some of the prompting.

"We have 107 franchises in the state offering, for an average $8.20 for basic, much more limited service than what people are very aware Boston was offered. There was," he said mildly, "a lot of reaction from subscribers. Also, there has not always been a smooth road between communities and cable companies here. There are allegations of unmet local origination promises, for instance. A lot of fencemending seems to have taken place just prior to the announcement of the Boston bids. But we're concerned at the present lack of any regulation over renewals when they may become a very volatile issue here."

"When the competition for initial licenses fades," reads the notice, ". . . it is reasonable to assume that the competition for renewals will increase substantially . . . . [This] could lead to a chaotic licensing situation . . ." To cope, Steel's group suggests alternatives: The community might be required to negotiate with the current licensee, perhaps "entitled to some favorable consideration because of its years of service . . ." But competition "seems to encourage applicants to propose more sophisticated . . . systems," while negotiations only with the existing operator might rob subscribers of the benefits of competitive bidding. So the community might issue an open solicitation of bids around renewal time.

But, if the current license expires while the new one is being bid, the community has no service and the existing "licensee might be reluctant to accept" a short-term renewal to bridge the gap if it knew other proposals were being heard. Alternatively, the notice concludes, "because each community is unique, it might be appropriate to allow each issuing authority to choose between negotiation with the incumbent and solicitation of bids. Steel looks to a proposed regulation, based on comments to the options, later this month.

Since there's no denying there are "cable slumlords," as they are called by operators and observers alike, there's

"That's it"

"The state statute governing cable television has little to say about renewals. An application . . . must be filed . . . accompanied by a $100 filing fee . . . a public hearing must be held on the application for renewal . . . and the term of the renewal license cannot exceed ten years."

—From the October Notice of Inquiry put out by the Commonwealth of Massachusetts Community Antenna Television Commission, facing 17 franchise renewals between 1981 and 1985

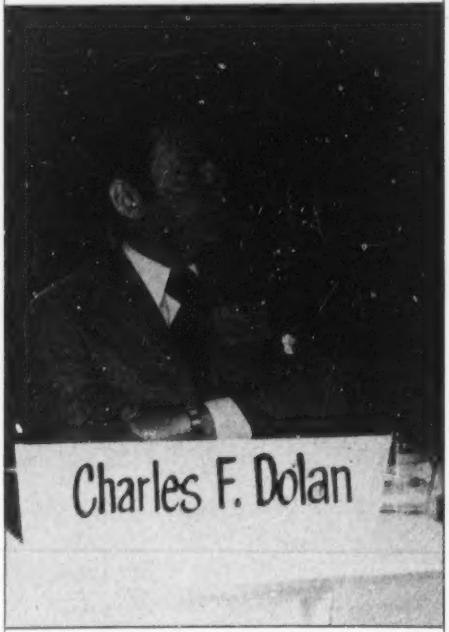
"Are you angry?"

"All grants or renewals of franchises shall be subject to the right to amend, alter or repeal the same in whole or in part, and to forfeit the same at any time for misuse or nonuse....Every such grant shall cease unless construction thereunder is begun within the time specified in the ordinance and completed with reasonable speed, and no grant shall be exclusive or for a period longer than 50 years."

—From the charter of the city of St. Louis, Missouri, which took its 1969 franchise, Melhar Corporation, to court for inaction. Melhar countersued for a declaratory judgment confirming the franchise is valid and in effect.

"We're not going around in an opportunistic fashion scouting overbuild locations. But I don't deny that theoretically some are desirable."

—Charles Dolan



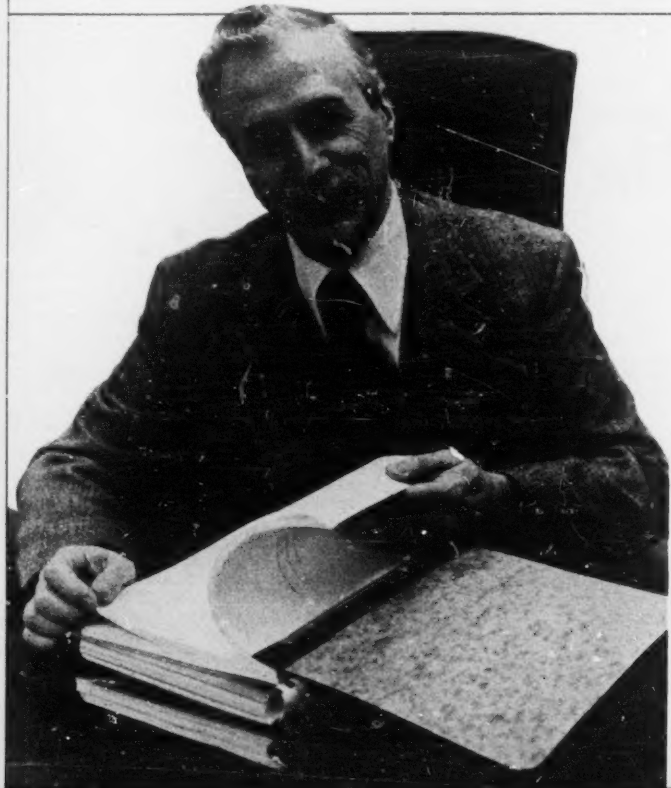
"The best thing that ever happened to the industry was to have Dolan get bogged down in major market builds," said one industry executive. "He won't have time to listen to a different drummer anymore."

"We'll be making a big mistake if we use wild promises as a negotiating tool with cities looking to replace an operator."
—Bob Rosencrans

no great restiveness under the yoke of franchise termination. "It's perfectly appropriate. Keeps companies in line," says Teleprompter's Bresnan. "But," he goes on, leading a thronging chorus, "it ought to be looked at as a time to insist on changes, not just throw everything open."

In Canada and Ireland, where Rogers Cablesystems operates, "when the system management doesn't perform, they get a one-year renewal and a warning. If you get three in a row, you deserve what happens to you. Nobody sheds any tears for those guys," Ted Rogers said darkly. "But, generally, revocation is a nuclear deterrent. In many practical ways, it's just silly not to renew a franchise. There has to be something—the one-year extension, perhaps—between that and automatic renewal."

Throughout the interviews for this story, there was an unmistakeable strain of "if I say it, that will make it so" among companies not really quite so sure that cities will be "reasonable."



"We start from the premise that the city is best off to reconcile itself with the existing operator even if there are problems."
—Harold Horn

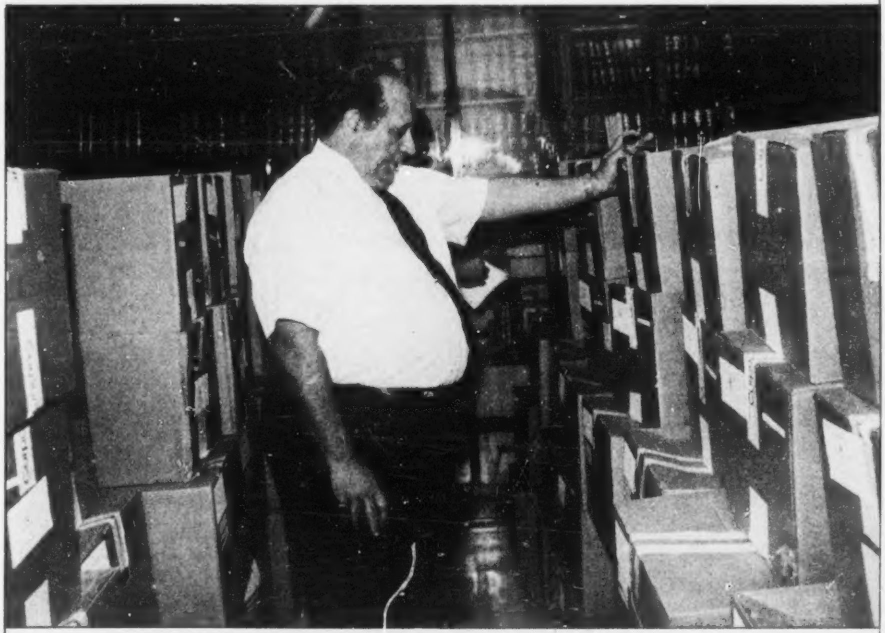
"Kalamazoo isn't going to want to be Boston," said one MSO, to choose randomly among comparisons hoped to be obviously nonsense. Equally randomly, we called "Fran" (that's the way she answered the phone), the city clerk in a small California town getting seven signals from a major MSO. No complaints, she said equably. "Cable is necessary for reception. We're glad to have it." Rebuild discussions are underway, but not at the city's instigation. "The operator brought it up with the city council. The franchise isn't due until 1984 and we hadn't begun to do any preliminary work yet."

On the other side of the spectrum, city management elsewhere is looking to cable for contributions on top of service upgrades. Left in a lurch by a federal retreat from funding which states cannot or will not pick up, cities face a tremendous squeeze on revenues. As New York's Democratic Governor Hugh Carey put it recently, "It's as though the federal government ordered everything on the menu and then walked out on the check." There will be, fear operators, an increasing tendency to look to cable for the golden egg—through raised franchise fees or sales taxes on customer bills—at just the point negotiators are trying to find leverage to keep rebuild demands within reason.

"With our politics in order, we can survive the slings and arrows of refranchising," said Comcast's Chris Derick. "After all, it's the art of compromise. If we haven't tended to politics, no franchise or technology is going to protect us. We've been very successful and we've believed our own press. A lot of people want a piece of us. We've painted ourselves into a corner of having to be very, very good. If we're not, we're in trouble."

The mayoral survey

Are cable's politics in order? *CableVision* did some political pulsereading in November. With the help of the National League of Cities, surveys went to 2,500 mayors. After calling out the non-cabled areas for use in a future article, our research team pored over 243 responses. Communities were broken out into four categories: those served by systems of 12 activated channels or less (19.3 percent of the sample) 12 to 20 channels (42.7 percent); 20 to 35 (30.8 percent) and over 35 (36 percent). Since NCTA's national tally of systems reveals 68.5 percent to be 12-channel capacity or less, the random distribution is certainly not a microcosm of the industry.



After New York director of franchises Morris Tarshis has awarded the four unwired boroughs, he will tackle the upgrade of the older Manhattan systems.

Urban refranchising

Poised to renegotiate

The city of New York, which almost 12 years ago negotiated franchising contracts with Manhattan Cable TV (Time Inc.) and Teleprompter Manhattan (Westinghouse), with both still used as industry models today, is poised to renegotiate those contracts.

Manhattan will be the site of the first major re-franchising. At present, however, the city is considering 13 companies for its four unwired boroughs. A clause in the city's contracts with MCTV and TPT requires the operators to match the level of service provided in any other part of the city.

Both companies offer Manhattanites 26-channels, far from state-of-the-art, but superior to service offered in much of the rest of the company.

TPT is proposing to build an elaborate 107-channel two-way interactive system. MCTV's parent, American Television & Communications, has also submitted a thoroughly modern proposal for the Queens franchise. The local media and city officials are well aware of the contrasts.

The New York Times' TV reporter Tony Schwartz, in a recent front page feature for the *Sunday* Arts section, said, "A pattern is emerging across the United States. Large companies that own cable systems, eager to win franchises in unwired cities, are quite willing to spend hundreds of millions of dollars to build modern systems. At the same time, they give much lower priority to rebuilding their older systems in the areas where there are no competitive reasons to offer the more lavish services."

Morris Tarshis, New York City's director of franchises, has indicated that as soon as the city determines the level of cable service required in the four unwired boroughs he will turn his attention toward upgrading the Manhattan systems. Manhattan's existing systems have not been a financial windfall for TPT or MCTV. ATC's subsidiary makes a slight profit while TPT barely breaks even.

Because of the publicity garnered by franchise activity in the boroughs, both of Manhattan's operators have publicly flirted with upgrading. But neither will commit until neighboring service is defined.

The two systems which pioneered major urban franchising will also pioneer major urban re-franchising and age gets no reverence.

But in stratifying opinions from variously served communities, the survey can be regarded as a litmus test for the way judgments alter—or don't—according to local experience.

Our sample was characterized, we found, by the fact that 65 percent or more of the respondents in all but the 35-channel categories were served by companies that had at one point or another increased the number of channels available. The bulk of all groups had also gone through a rate increase: 81 percent of the 12-or-fewer channels said they had; 75 percent of the 12 to 20; 55 percent of the 20 to 35, and 31 percent of the 35-plus.

The highest level of dissatisfaction reported came, not surprisingly, from the 12-or-fewer channels group. The question: "Are you generally satisfied

Tony Hoffman—from Wall Street analyst to local cable commissioner.

Rural refranchising

From the commissioner's chair

"Refranchising is a gigantic issue. Cities are going to be very aggressive," A.G. Becker media analyst Tony Hoffman was saying, echoing dozens of others interviewed for this article. And then he added, "I can see that in my own town where I'm head of the cable commission." Herewith, firsthand, the politics of rebuilding from the city's side:

Hoffman lives in Bedford, New York, served by Adams-Russell, who bought a local entrepreneur's skeletal system in need of substantial upgrading. Operators who have begun to repeat by rote that "every system is unique" might consider Bedford. The town used to include Mt. Kisco until, after a series of disputes, Mt. Kisco seceded in the mid-'70s. By then the cable franchise had already been let, and the holder's hopes had been pinned on the more densely populated secessionist, where 16 miles of plant passed 2,434 residences.

In Bedford Village, the high-density part of Bedford, 18.2 miles of plant passes 545 homes. (They're zoned for four acres.) But because the two towns remained friendly enough to share a cable commission, the Bedford part of the franchise is governed by what was originally written for the whole area. Not surprisingly, Adams-Russell is 'way behind the construction level that would put it in compliance with the contract. (It needs to pass 75 percent of homes; it passes 48.6 percent.)

The city, says Hoffman, considered inviting in other bidders. Those who were cabled were unhappy with the 23-channel service; those who were not were unhappier still. "So I dutifully talked to UA-Columbia and Maclean-Hunter, who operate nearby. They wouldn't take Bedford if it were handed to them. The density is laughable and we happen to have the only user-programmed six-channel school link-up, which is very nice but it siphons revenue and other companies know it. Cable has no business wiring a place like this. Adams-Russell has lost $200,000 to $250,000 in each of the last three years. The town's lucky to have them. They certainly won't need the town when, with the Bedford base of operations, they get all the Westchester County systems they want. But they're responsible. We wouldn't have cable if they weren't."

Now, the commission and the system, acknowledging they are bound to each other, have negotiated an upgrade and, after considerable discussion, will probably agree on a rate increase. But the creative product of the long bargaining is a community-tailored method of getting service to areas with five homes per mile or less. Under the formula, Adams-Russell need only spend what it would cost to build past 50 homes per mile, or $8,000. In the sparsely populated neighborhoods, home owners will pay the shortfall on $8,000. On a per-head basis, one family with five neighbors within one mile would put up $1,280. "But when Adams-Russell used to explain the problem to people without service, it wasn't uncommon for them to be perfectly willing to write a check for the full $8,000."

As soon as the earth station is operational and the new satellite networks available, Hoffman expects the rate increase to be granted. Adams-Russell plans to give the community a one-month free trial of the upgraded service. "At the current rate, this sharing of construction expense just lets them continue to lose as much on the new subscribers as the old."

It's still true that at every meeting, "someone turns up and says, 'I was reading about Boston. . . '," Hoffman says. But that will pass. Community pressure for a more aesthetically pleasing black earth station did.

The country's mayors report

	under 12 channels	12-20	20-35	35+	
Are you generally satisfied with the level of service your community receives?	68%	68%	65%	1%	yes
	32	32	35	99	no
Has your system ever expanded the number of channels offered?	81	75	55	31	yes
	17	18	37	69	no
	2	7	8	0	no reply
Has the subscriber charge ever gone up?	50	75	87	81	yes
	50	25	13	19	no
In evaluating your system, which is more important: A. awareness of national cable developments? B. service in nearby community?	54	61	48	75	A
	23	30	38	13	B
	23	9	14	12	no reply
Are neighboring communities wired?	85	86	92	94	yes
	15	14	8	6	no
Compare service in your community to that in nearby areas.	23.4	18	19	0	inferior
	21	30	23	56	superior
	8.5	17	24	35	same
	46.8	35	34	9	no reply don't know
Problem areas, in order of importance.	channel capacity customer service willingness to upgrade speed in adding new program services local programming	channel capacity customer service local programming willingness to upgrade speed in adding new services	customer service speed in adding new services willingness to upgrade	customer service in-kind benefits local programming	
Additional services you intend to secure from cable in order of importance.	local access locally oriented programming distant signals	locally oriented programming local access distant signals	security interactive services locally oriented programming	security local programming interactive services	
Will you require agreement to upgrade before renewing franchise?	30%	15%	13%	1%	yes
	5	12	.4		no
	65	72	86.6	99	no reply*
Do you intend to renew with the current operator?	36	45	23	38	yes
	6	1	5	6	no
	58	54	52	56	no reply*
Have you been approached by other companies. A. about building a second system (overbuilding)? B. about replacing the current operator where his franchise expires?	6	11	11	6	A
	15	10	8	13	B
	40	58	44	25	neither
	59	21	37	56	no reply*
Have you been approached by the current operator about early franchise renewal?	17	37	15	6	yes
	77	47	79	94	no
	6	16	6		no reply*

Selected questions from a nationwide mail survey conducted by *CableVision* staff in November 1981. Findings should be regarded as suggestive only. (See "*CableVision*'s Mayoral Survey" for details of the sampling.)

*Includes repondents who said franchises were too far from term to comment or who have granted a 20-year option to the current operator at expiration or whose agreement with the operator is an open-ended revocable license.

with the level of cable service your community receives?" Between the "yes" and "no" votes, the split was an even 50/50. In the 12- to 20-channel communities, 75 percent of the mayors said they were generally satisfied; in the 20- to 35-channel group, it was 87 percent. In the most elaborately served areas, it was 81 percent, a slight decline that is very likely related to another distinction: the 35-plus channel communities are more likely to use national cable developments in evaluating their own systems. Seventy-five percent of them say they rely on such a national touchstone. Among the other groups, between 48 and 61 percent rely on national awareness. The rest who responded cited the level of service provided in neighboring communities.

In all cases, the vast majority—85 to 94 percent—said nearby areas were cabled. Asked to judge the level of service in their own communities vs. the neighbors', 21 percent of the 12-or-less channel mayoral group graded their systems superior; 8.5 percent said they were comparable and 46.8 percent had no opinion or didn't know; 30 percent of the 12- to 20-channel group said theirs were superior to others; 17 percent the same; and 35 percent had no opinion or didn't know; 23 percent of the 20- to 35-channel group said theirs were superior to and 24 percent said theirs were the same as others, while 34 percent had no opinion or didn't know. In the top level of service, 50 percent gave their systems superior rank; 35 percent said they were the same as those nearby; and only nine percent said they didn't know.

In a multiple choice format, we asked for a ranking of nine problems: customer service, channel capacity, willingness to upgrade, provision of local programming opportunities, provision of in-kind benefits such as audio/visual equipment for schools, speed with which new programming services are added, concern for community standards and subscriber charges. In the first two categories, channel capacity led easily, tied among the 12- or fewer channel group with customer service. Customer service led in the 20-plus channel groups. Close behind in the first three categories was willingness to upgrade, tied in the 20 to 35 group with speed with which new

"This business has always required continous rebuilding. You shouldn't have to decide whether or not to do it with your eyes on a meter. If that kind of instability is introduced into the industry, it can't help but be reflected in operations."
—Bill Bresnan

programming services are offered and provision of local programming opportunities. For the 35-plus group, provision of in-kind benefits was third.

When it came to services communities intended to secure in refranchising negotiations, those in the 12-or-less and 12-to-20 groups close enough to contract's end to respond put local access and locally-oriented programming first, more distant signals next. In the newer or recently upgraded systems beyond 20 channels, most respondents listed no requisite service(s) on which refranchising depended. The rest gave interactive services, security and locally-oriented programming desireables.

Thirty percent of the mayors whose constituency received 12 channels or less said renewal would require an upgrade, 15 percent of the 12 to 20 and 20 to 35 groups said they, too, would demand expansion and one percent of the 35-plus group took the same tack. In all cases, the bulk of the respondents did not commit themselves one way or the other.

That same combination of circumspection and uncertainty was evident in the reaction to our question whether the current operator was likely to be renewed. About half the respondents in all categories did not reply. In the 12- to 20-channel group, 36 percent said they did intend to renew; 45 percent of the 12- to 20-channel group said they did; 23 percent of the 20- to 35-channel group and 38 percent of the 35 channels-plus group said they did.

About 20 percent in every category said they had been approached by others wishing to overbuild or replace the existing franchisee. Most respondents said they had not been approached by the current operator seeking to negotiate renewal before his franchise expires. But of those who had been approached, 47 percent, 55 percent and 55 percent in the first three categories of systems had agreed to early renewal.

Under "other"

The mayors and their cable staffs were given space to comment on other subjects or clarify answers that might otherwise seem too black and white. A large number pointed out that their systems are now engaged in rebuilding. "Basically," said one mayor who had underscored the "generally" in the survey's "Are you generally satisfied with the level of cable service in your community?", indicated he was very happy with the community's seven-channel system. "I have received some complaints from two locations in the city where service is not available yet, but the firm is working on providing it as soon as possible," the mayor said. "I have also had some calls concerning objections to programming and the management has worked with me in answering those complaints." His mild tone was reflected frequently in the comments of others. Even the one respondent who added a handwritten invitation to quote his excoriation of the small MSO delivering ten channels to his mountain town said, "We feel our negative attitude toward cable television is solely because the company we are dealing with has failed to live up to all the . . . agreements [that led to a franchise renewal]."

> "When major urban franchising is over, the hype will die and realism will set in. People will look twice at refranchising if the major markets fall short on accomplishments."
>
> —Vernon Achbar

Another, whose 12-channel system raised rates "this year and last year and the year before and every year," simply suggested that "as the holder of an exclusive franchise, the company needs to make more effort to convince people they are not being ripped off. Publicity on comparative rates elsewhere would help," he advised, clearly finding such knowledge explanatory himself. One mayor of a town in a heavily cabled area said he did intend to work toward renewal of the operator providing 40-channel service, though the regional company "is a relatively young operation and they are still smoothing some rough edges." Similarly, a recently renewed "21-channel system got this appraisal: It is generally responsive to our needs, but has experienced rapid growth . . . and the usual technological difficulties of a fast-growing industry."

> "In 1984 things will start snowballing. It will last three or four years and will be won by the richest baseball teams. It's cable's free agent wars with the cities in the role of free agents."
>
> —Alan Kassan

Another mayor, whose system expanded from 12 to 23 channels last year, said the city had awarded a franchise to a "newly created cable company in 1977 which in three years was not able to build a system. Finally it was sold to the finest cable operator in the state." He went on to list the company's "firsts" in service and put a large check beside "intend to renew." And finally, there was this valentine to the system and itself from a city that had just renewed: "This city does not do extensive regulation of the cable company. In fact, we do not approve rates. We let the marketplace do that. Also the number of channels and the type of programming (with the exception of the morally offensive) is left up to the operator. Continued subscriber growth is his goal and ours. Incidentally, the company pays this city eight percent of its gross receipts!"

The warmth was not universal, of course. Some city governments made it clear they feel ill-served and powerless to change the company's direction. Complained one, "We have 30-channel capacity but no aggressiveness on the franchise's part to expand available channels [13, never upgraded] and little leverage to force it." "We tried to get state-of-the-art cable as a condition of renewal, but the company refused to negotiate," came from one city now embroiled in a lawsuit filed on antitrust grounds by the operator.

Word from a system that switched hands in a corporate acquisition spelled out some of the friction that can result: "We have the new owner on the ropes because we must approve any change in ownership. They say in buying the operator's parent company, they are immune from the franchise approval clause. We say they're not. In any event, we are getting many concessions . . . a new modern system to avoid a lawsuit." Previously, the respondent noted, the 12-channel system had been run in an "install-it-and-forget-it" tradition. And there was this reaction to a single-system purchase: "The current cable company just recently bought this franchise. Their initial approach has been to ask for renegotiation on the term and the rate structure. They imply expansion and improved services, but they want a better return on investment."

In a widely echoed lament, one mayor confronting a 12-channel system terminating this year, and operated by an MSO providing lavish service elsewhere, asked for "an organization to obtain facts on how cable rates are increased." For example, if the franchise says the operator is entitled to his fair rate of return on fixed assets, "what action have cities taken? We need to know what rate of return was agreed to elsewhere to determine if rates could be increased." (Or, presumably, increased. Outgoing San Diego mayor David Schiffman signed Cox Cable to annual reports on projected vs. actual rate of return. If the actual exceeds the projected by two percent, the city council may consider a reduction in subscriber fees, reports Irene St. Onge, assistant to the city administrator.)

There was also humor, of a sort. Not much attention is given by the company to service," said one respondent in a 12-channel system just upgraded from nine. "There aren't enough personnel—manager is also serviceman."

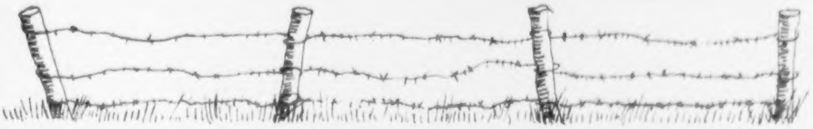
The state of the cities

More analysis of the mayors' replies will follow as we study the responses that continued to pour in past the deadline. Based on our findings to date, "the art of compromise" Comcast's Chris Derick ascribed to refranchising above would seem in promising order. For the cities, no less than the operators themselves, pragmatism reigns. There is an admixture of naivete, disillusion and delusion, perhaps, but there is overall a common sense willingness in smaller markets to settle for—indeed to want—fewer stripes of cable's rainbow than the major markets get. The pots of gold to fund them simply come in different sizes.

There is close to universal acknowledgement that the era of 12-channel operations is over. How sharply goaded by political pressure companies must be to act on the acknowledgement differs from company to company. But most of the majors clearly are marching toward gradual upgrading at a clip internally, not externally set.

The inverted pyramids we called up earlier to describe the seven-, 12-, and 20-channel operations that subsidize their owners' far grander builds elsewhere could prove, with minor weather-guarding, as impervious to calendars as the right-side-up originals.

—Jeri Baker, Hugh Panero



"We face no risk whatever anywhere. We could stand up against anyone."
—Bob Rosencrans, president, UA-Columbia Cablevision

"You have more explaining to do . . . but so far we have had no problem."
—John Malone, president and CEO, TCI (interview in *Business Week*)

"We'll put our systems up against anyone's."
—Arno Mueller, vice president, Storer Cable

"I don't have any worry about renewing franchises. Any community we're in will renew us."
—Chuck Dolan, president, Cablevision Systems Development Corporation

"We've never lost a renewal."
—Gustave Hauser, chairman and CEO, Warner Amex Cable Communications

"When franchises expire there will be pressure to bring systems up to date but I don't think re-franchising will be a big issue."
—Robert Erburu, president and CEO, Times Mirror Corporation

"The FCC is a creature of the United States Congress, not of the FCC commissioners."

Battling the bottlenecks

Tim Wirth discusses crucial telecommunications issues from AT&T to cable and the First Amendment

After former Representative Lionel Van Deerlin (D-CA) was defeated in the 1980 elections, the House Communications Subcommittee was in need of a new chairman. One of the natural choices was the man who had served on the subcommitee since he was first elected to Congress in 1974: Timothy Wirth (D-CO).

Under the direction of Wirth, the subcommittee made some distinct changes, not the least of which was its name. Due to some shifting of responsibilities by the parent Energy and Commerce Committee, Wirth's subcommittee was rechristened the House Subcommittee on Telecommunications, Consumer Protection and Finance.

Despite the full plate of responsibilities as indicated in its title, the subcommittee retained as its top priority the rewrite of the Communications Act of 1934. Although the subcommittee had been tinkering with this task for six years, a massive effort was launched to gather additional information before a new piece of legislation would be drafted. The subcommittee held 11 days of hearings to fill in the gaps left by the previous attempts. The intent was to obtain adequate data to bring the 1934 Communications Act into the present, if not the future.

When all the testimony and written submissions had been duly recorded, the majority staff began the time-consuming, Herculean process of evaluating the data. The final result was a 650-page report—"Telecommunications in Transition"—that revealed the nature of competition in the telecommunications industry. The report would serve as underpinning for the rewrite that was to follow and Wirth did not underestimate the importance of the effort.

"It will be the most important legislation before the 97th Congress," he said.

David Price, *CableVision*'s deputy bureau chief of the Washington office, met with Wirth recently to discuss the report and its implications for the telecommunications industry.

CableVision: Let's begin with the majority staff report. Under your direction, the subcommittee has taken a different approach to rewriting the Communications Act. Would you explain the new tack and tell us what made you decide to use this approach?

Wirth: It seems to me that the number one philosophical underpinning of our economy and our society is competition. Any legislation that we write should be legislation designed to encourage competition. That is the fundamental principle that underlies the statements and approaches that we've made in the competition report.

Secondly, we decided to take a different kind of look at what the system is for. Previously, the assumption of the Communications Act was that we were dealing with a scarce commodity and the scarcity doctrine in turn dictates that you carve up a scarce environment among a few providers. What we're saying is, let's turn that on its head and let's look at it from the perspective of the users. What's the system for anyway? It's for 230 million Americans—the users out there, whether it's the little old lady in tennis shoes or General Motors or CitiCorp. Their perspective, what they need and what they want should also drive the legislation as well as the concerns of the providers. So there's a second fundamental theme in this which is a user perspective. Pro-competition is one; a user perspective is two.

A third is diversity of information. A fundamental tenet of a democratic society is that you have an informed electorate and that the informed electorate should be able to choose its own ideas. The Supreme Court has clearly upheld that in saying that one of the fundamental purposes of the First Amendment is to have as robust a marketplace of ideas as possible.

The fourth underlying assumption, which may not be different from other people's, is a deep skepticism of the capacity of the expert agency (the Federal Communications Commission) to regulate in the public interest, convenience and necessity. We have got to give the FCC more clear direction than it has now.

CV: How does this approach differ from the one used by the Senate Commerce Committee in drafting S. 898?
Wirth: Ours goes right back to assumptions and I'm not sure what assumptions were made over there. I think their assumption was that the purpose of the legislation was to deregulate the market. As I have said on so many occasions, you wouldn't deregulate the airline industry if one airline controlled 98 percent of the airline flights, owned 95 percent of the airports and controlled 90 percent of the rental car agencies. Just because there are competitive entrants doesn't mean that a market is competitive.

CV: Are the differences substantial enough to prevent a new Telecommunications Act from passing through the 97th Congress?
Wirth: I suspect that the virtues and validity of the way in which we're approaching this will be recognized by our brethren in the Senate, particularly after they come to recognize what the enormous consumer, rate-payer impacts of the Senate bill might be.

CV: And so the immense gathering of information was necessary to back your position?
Wirth: Well, you can't talk about competition unless you know what the extent of competition is and that's what we're doing.

CV: In Alvin Toffler's book, *The Third Wave*, he describes three turning points for man and society: the advent of the agricultural, industrial and informational ages. You have said that we are "smack in the middle of that third wave." What should the role of Congress be with respect to drawing guidelines for this new and very staggering information age?
Wirth: We have an obligation to do everything we can to create an environment that's going to be conducive to and not frustrating to the information age—for example, writing a good, clear, pro-competitive piece of telecommunications legislation. We as a country have to invest more in science and technology and research and development in space. We have to invest more in human beings. We are a think-intensive country. Our capital is in our human beings and just at a time when we are more and more dependent on individuals being well-trained, we're cutting back the number of computer scientists, we're cutting back the number of physicists, the number of mathematicians, biologists, chemists, electrical engineers and people going to higher education in general. It is absolutely insane public policy that we are following in the current budget that has been approved compared to what this country needs and where this country is going. Those are the environmental kinds of obligations that we have to anticipate to help the future and not to constrain it.

> "The question is whether the cable operators will recognize the possible First Amendment and other issues related to those bottlenecks and solve them before Congress has to move in."

CV: According to several statements you have made regarding the "expert agency," you are not terribly thrilled with the past performance and current philosophy of the FCC. You have said that, in many cases, the commission has inhibited rather than advanced competition. What changes are necessary to bring the FCC in line with the conclusions of the majority staff report?
Wirth: First, we have to make sure that the FCC understands that it is accountable to Congress and not to itself or to its own perception of what it's going to be. The FCC is a creature of the United States Congress, not of the FCC commissioners.

Secondly, the FCC has got to have clearer direction from the Congress and this is not their fault, it's ours. Part of that direction must be to refine and better define what we mean by public interest, convenience and necessity. The public interest standard is a very broad standard. What is your public interest can be somebody else's private rip-off. What we have to do is clearly define what we mean and one of the key themes is that the FCC must encourage competition.

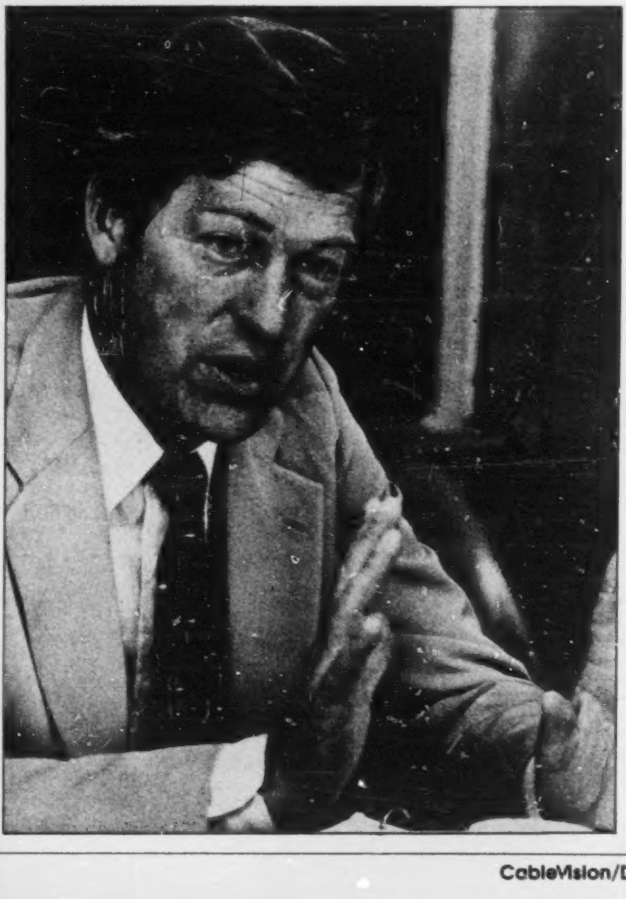
CV: Recently, the Government Accounting Office released a report that stated, in effect, that the FCC is incapable of monitoring potential cross-subsidization between the regulated and unregulated subsidiaries of AT&T that would be established under both S. 898 and the FCC's Computer II. How do the shortcomings of the FCC affect the treatment of AT&T in any legislation that you would write?
Wirth: We have to do two things: one, make sure that the FCC doesn't try to do everything. There is no way that agency, no matter how big it may become or how well-paid its staff might be or how expert, could follow every development in the telecommunications world. So we have

to set priorities for them. That's terribly important so they know that one thing is more important than something else.

Secondly, we have to build into the legislation the kind of safegaurds that preclude cross-subsidy and not just leave it to the FCC accountants. As the GAO reports, that's impossible for the FCC accountants to follow. We have to set up the kind of structural and behavioral law that precludes the kind of cross-subsidy that everyone refers to.

CV: In the last several years, we have seen the courts, Congress, the Justice Department and the FCC attempt to restrain AT&T's occasional anticompetitive leanings. Is the Congress capable of preventing or even detecting anti-competitive behavior on the part of AT&T?
Wirth: Well, there are certain areas in which the markets are competitive and certain areas where they aren't competitive. What we've tried to do in the competition report is to identify those areas that are not going to be open to competition for some time so we don't have to worry about them. We can spend our time instead focusing on those areas which are competitive and take them one at a time. Each one of these markets is not identical. Long distance is not competitive, the local loop is not competitive, but services and equipment are highly competitive.

CV: Should AT&T be allowed to enter the computer and data processing fields?
Wirth: I think AT&T should be allowed to enter the computer and data processing areas, and in doing so, without cross-subsidy from their monopoly revenue base. The country benefits from competition and AT&T should be allowed to compete just like IBM can compete or Xerox or Burroughs or anybody else.



CV: The report discusses bottlenecks, or barriers to competition and diversity. Under what circumstances does a cable television system create a bottleneck problem?
Wirth: That's an area that is going to have to get a great deal of extensive discussion as to what possible bottlenecks occur. The cable industry has great potential for not being such a bottleneck because there are vast numbers of channels available in modern cable systems. The question is whether the cable operators will recognize the possible First Amendment and other issues related to those bottlenecks and solve them before the Congress has to move in and identify and work on the problem. I think the cable industry has shown every sign of being aware of that and being very progressive in thinking about it.

CV: If the cable industry does not act, do you see the possibility of legislating access requirements to avoid any potential problems?

> "We have essentially the same video market in Washington, DC, as we did 20 years ago. The new technologies are on the horizon, but they're not here yet."

Wirth: The cable operators are so sophisticated and knowledgable about public policy that I think they'll do this on their own.

CV: When the report was released, you said that a competitive video marketplace was emerging, but it isn't there yet. What will determine when a video market is competitive enough to warrant deregulation?
Wirth: That's a very good question and we have to look at that. The data right now suggests that we essentially have the same video market in Denver as we did 20 years ago. We have essentially the same video market in Washington, D.C., as we did 20 years ago. The new technologies are on the horizon, but they're not here yet.

> "You wouldn't deregulate the airline industry if one airline controlled 98 percent of the airline flights, owned 95 percent of the airports and controlled 90 percent of the rental car agencies."

CV: Another important aspect of the report is the content/conduit separation. How does this apply to cable television systems?
Wirth: I think the same principles of the First Amendment apply to everyone in this society. The First Amendment was not written for newspapers alone or radio and television alone; it was written for 230 million Americans and it was written to do two things: one, it was written to assure that there would be no government interference with the press and, secondly, and forgotten or not recognized by most people, the First Amendment was written to assure that Americans have access to a robust marketplace of ideas. That is extraordinarily important for everybody to remember: that there should be diverse and conflicting and different kinds of ideas available to all Americans. That First Amendment principle has to govern everything that we do.

CV: Is there a problem in the specific example of a newspaper chain owning a cable system?
Wirth: We talked earlier about bottlenecks and we're talking now about the First Amendment—they both run together. I think the cable people are very aware of the First Amendment implications and what they do and I think they are in the process of addressing them.

CV: Would you say that a joint venture, say between AT&T and Knight-Ridder, is the preferred method of providing informational services?
Wirth: That's perfectly fine as long as there isn't one entity that controls both the conduit and the information. The separation between the two is consistent with the First Amendment.

CV: What about vertical integration? Is that a barrier to competition and diversity?
Wirth: The whole issue of concentration is going to demand a lot of very careful examination.

CV: Your subcommittee has held one hearing on cable franchising and legislation is anticipated in this Congress. Are there any early indications as to what the industry can expect?
Wirth: Our number one priority now is the rewrite of the Communications Act. That's number one.

CV: One of the biggest problems you face personally is back home in Colorado. The reapportioning could leave you without a district. How does that stand?
Wirth: We're currently in court and there's nothing I can do about it. It's up to the governor and the state legislature and the court is ordering negotiations between the two parties. Some days it's promising and some days it isn't. We just have to wait and see.

CV: If it gets to the point that you're out of a district, what then?
Wirth: I don't think I'll be out of a district. No matter what district they end up giving me, I think that we've shown that we can compete. In the last election, even in the most difficult district in the state of Colorado, I ran ahead of Ronald Reagan. We had our own reverse landslide going. We have very, very broad support from all kinds of people of all ideological, political, social and economic stripes. We have an extraordinarily fine coalition of people who I think will go to bat for me again.

The telecommunications marketplace

An examination of the communications options in most television markets

The determination of competition on a market-by-market basis is one of the cornerstones of the subcommittee's competition report. Following is a compilation of the video and newspaper outlets in 211 markets.

Market	Television Households	UHF & VHF Stations	Radio Stations	Daily Newspapers	% Cable Penetration	% Cable Passby	Average # Cable Channels	MDS Channels
1. New York, NY	6,410,900	14	54	4	17	28	29	1
2. Los Angeles, CA	4,140,000	18	64	3	12	23	23	1
3. Chicago, IL	2,968,100	11	59	2	4	6	27	1
4. Philadelphia, PA	2,385,800	10	34	2	22	23	27	1
5. San Francisco, CA	1,959,000	12	42	2	45	59	23	1

Market	Television Households	UHF & VHF Stations	Radio Stations	Daily Newspapers	% Cable Penetration	% Cable Passby	Average # Cable Channels	MDS Channels
6. Boston, MA	1,878,600	9	40	2	15	19	23	1
7. Detroit, MI	1,661,400	7	35	2	3	4	27	1
8. Washington, DC	1,465,800	8	36	1	10	8	29	1
9. Cleveland, OH	1,394,800	5	28	2	17	32	20	1
10. Dallas, TX	1,360,800	6	37	2	10	1	35	1
11. Houston, TX	1,276,400	6	31	2	10	8	16	1
12. Pittsburgh, PA	1,224,900	7	35	2	39	42	13	1
13. Miami, FL	1,106,200	9	31	1	11	19	34	1
14. Minneapolis, MN	1,094,200	6	30	2	6	3	30	1
15. Seattle, WA	1,087,000	7	36	2	28	41	23	1
16. Atlanta, GA	1,085,800	6	31	1	14	10	33	1
17. St. Louis, MO	1,024,300	6	36	2	6	4	18	1
18. Tampa, FL	937,800	7	29	1	16	48	21	1
19. Denver, CO	874,900	5	28	2	9	13	37	1
20. Baltimore, MD	862,900	6	27	2	5	9	28	1
21. Sacramento, CA	811,400	6	19	2	19	24	21	1
22. Indianapolis, IN	796,700	7	21	1	19	16	21	1
23. Portland, OR	788,300	5	28	1	17	3	19	1
24. Hartford, CT	785,000	7	24	1	35	61	33	1
25. Phoenix, AZ	731,000	8	28	1	7	2	15	2
26. Cincinnati, OH	702,800	7	25	2	10	8	28	2
27. Kansas City, MO	696,700	6	25	1	20	30	30	1
28. San Diego, CA	696,700	4	28	1	45	75	32	1
29. Milwaukee, WI	678,700	6	24	1	7	10	25	1
30. Nashville, TN	655,700	5	19	2	14	3	16	1
31. Buffalo, NY	608,000	5	20	2	33	60	28	1
32. Charlotte, NC	606,400	7	13	1	12	15	12	1
33. Orlando, FL	597,500	5	22	1	33	44	18	2
34. New Orleans, LA	588,400	5	22	1	15	12	29	1
35. Columbus, OH	580,600	4	18	2	30	51	23	2
36. Memphis, TN	570,200	5	22	1	14	11	36	1
37. Grand Rapids, MI	565,900	5	15	1	30	45	19	1
38. Greenville, SC	551,000	7	14	1	19	30	22	0
39. Providence, RI	548,900	4	14	1	11	13	31	1
40. Raleigh, NC	548,400	4	20	1	22	23	19	1
41. Oklahoma City, OK	533,100	7	22	1	23	17	30	1
42. Louisville, KY	524,000	6	22	1	16	6	21	1
43. Charleston, WV	521,600	6	14	2	45	37	14	0
44. Salt Lake City, UT	513,100	6	20	1	12	10	12	2
45. San Antonio, TX	491,900	5	24	2	13	9	33	1
46. Norfolk, VA	485,900	5	30	1	18	34	31	1
47. Birmingham, AL	480,700	5	20	2	21	25	26	1
48. Dayton, OH	472,500	5	13	1	27	51	30	1
49. Wilkes Barre, PA	461,900	4	19	2	54	54	20	0
50. Albany, NY	457,400	4	22	1	41	60	31	1
51. Greensboro, NC	451,700	5	17	1	18			2
52. Harrisburg, PA	445,500	6	11	1	40			1
53. Flint, MI	442,400	5	9	1	26			1
54. Little Rock, AR	440,400	4	15	2	16			1
55. Shreveport, LA	429,700	4	14	2	30			1
56. Richmond, VA	428,300	5	18	1	13			1
57. Tulsa, OK	422,900	4	15	2	30			1
58. Wichita, KS	408,400	4	12	1	34			1

	Market	Television Households	UHF & VHF Stations	Radio Stations	Daily Newspapers	% Cable Penetration	% Cable Passby	Average # Cable Channels	MDS Channels
59.	Toledo, OH	401,200	4	12	1	32			1
60.	Knoxville, TN	395,700	4	15	2	23			1
61.	Mobile, AL	387,500	5	14	1	27			2
62.	Jacksonville, FL	369,100	6	23	1	22			1
63.	Des Moines, IA	359,600	4	12	1	26			1
64.	Fresno, CA	358,900	7	21	1	14			0
65.	Roanoke, VA	352,200	4	12	1	29			1
66.	Syracuse, NY	350,500	4	18	1	40			0
67.	West Palm Beach, FL	349,000	2	17	1	44			2
68.	Green Bay, WI	347,800	4	8	2	16			1
69.	Albuquerque, NM	343,700	5	21	2	19			1
70.	Omaha, NE	336,800	5	15	1	7			2
71.	Rochester, NY	329,900	5	16	1	20			1
72.	Portland, ME	322,300	5	17	1	38			1
73.	Davenport, IA	322,000	3	14	0	31			2
74.	Paducah, KY	320,900	5	5	1	30			0
75.	Spokane, WA	320,300	4	20	1	35			1
76.	Springfield, IL	314,000	6	9	1	38			1
77.	Cedar Rapids, IA	313,500	5	10	1	8			1
78.	Bristol, VA	286,000	4	3	1	30			0
79.	Lexington, KY	285,700	4	9	1	22			1
80.	Chattanooga, TN	280,300	5	16	2	20			1
81.	South Bend, IN	277,200	5	9	1	22			1
82.	Springfield, MO	274,900	4	11	1	13			1

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Market	Television Households	UHF & VHF Stations	Radio Stations	Daily Newspapers	% Cable Penetration	% Cable Passby	Average # Cable Channels	MDS Channels
83. Johnstown, PA	274,400	5	6	1	62			0
84. Jackson, MS	271,300	4	14	1	25			1
85. Tucson, AZ	225,600	5	17	2	14			1
86. Lincoln, NE	247,700	8	11	1	30			1
87. Columbia, SC	242,100	5	16	1	24			1
88. Evansville, IN	240,900	4	10	1	34			1
89. Baton Rouge, LA	240,300	4	11	1	28			1
90. Huntsville, AL	239,500	4	10	2	34			1
91. Youngstown, OH	233,300	3	12	1	19			2
92. Austin, TX	229,300	4	13	1	34			2
93. Springfield, MA	227,000	3	18	1	29			1
94. Ft. Wayne, IN	219,400	4	11	2	31			1
95. Peoria, IL	218,600	4	12	1	38			1
96. Lansing, MI	213,900	3	11	1	32			1
97. Sioux Falls, SD	209,400	3	13	1	26			1
98. Fargo, ND	209,300	4	10	1	32			1
99. Waco, TX	209,300	3	8	1	56			0
100. Burlington, VT	207,700	5	7	1	37			0
101. Greenville, NC	203,300	4	5	1	12			0
102. Colo.Springs, CO	197,900	4	17	2	20			1
103. Savannah, GA	192,500	4	14	1	30			1
104. Madison, WI	190,800	4	14	1	20			1
105. Las Vegas, NV	190,200	5	13	1	1			2
106. El Paso, TX	187,200	5	17	2	34			1
107. Augusta, GA	187,100	4	13	1	22			2
108. Rockford, IL	185,600	4	8	1	37			1
109. Columbus, GA	183,300	4	10	1	33			1
110. Monroe, LA	179,300	4	9	1	24			1
111. Charleston, SC	178,900	5	12	1	16			2
112. Salinas, CA	178,500	5	8	1	59			0
113. Lafayette, LA	178,000	2	6	1	30			1
114. Amarillo, TX	174,600	3	12	1	50			1
115. Duluth, MN	173,400	4	12	1	24			1
116. Santa Barbara, CA	170,100	2	12	1	67			2
117. Joplin, MO	168,900	3	7	1	31			0
118. Wheeling, WV	166,500	2	9	1	53			1
119. Montgomery, AL	165,700	4	11	1	32			1
120. Eugene, OR	163,500	2	15	1	52			1
121. Yakima, WA	163,300	4	9	1	45			1
122. Ft. Myers, FL	161,700	3	9	1	55			0
123. Terre Haute, IN	161,200	3	10	1	30			1
124. Beaumont, TX	160,300	3	14	1	22			2
125. Wichita Falls, TX	157,900	4	6	1	39			1
126. Wilmington, NC	157,000	3	9	1	31			1
127. La Crosse, WI	156,500	3	8	1	39			1
128. Tallahassee, FL	156,000	5	11	1	34			1
129. McAllen, TX	154,700	2	9	1	23			1
130. Corpus Christi, TX	154,200	5	11	1	21			1
131. Sioux City, IA	152,800	5	8	1	23			1
132. Wausau, WI	151,200	4	6	1	17			0
133. Binghamton, NY	147,500	4	9	1	56			0
134. Traverse City, MI	146,600	3	6	1	25			0

	Market	Television Households	UHF & VHF Stations	Radio Stations	Daily Newspapers	% Cable Penetration	% Cable Passby	Average # Cable Channels	MDS Channels
135.	Reno, NV	146,000	3	12	1	34			1
136.	Bluefield, WV	145,800	3	3	1	59			0
137.	Erie, PA	145,400	4	8	1	23			2
138.	Lubbock, TX	145,100	4	14	1	33			1
139.	Macon, GA	144,300	3	9	1	43			1
140.	Boise, ID	141,500	4	11	1	12			1
141.	Topeka, KS	139,600	3	8	1	46			1
142.	Rochester, MN	138,500	5	8	1	31			1
143.	Columbus, MS	138,400	3	7	1	43			0
144.	Chico, CA	131,400	3	5	1	45			0
145.	Minot, ND	131,300	8	6	1	31			0
146.	Quincy, IL	128,500	2	0	1	29			0
147.	Columbia, MO	124,700	3	8	2	30			0
148.	Odessa, TX	124,300	4	11	1	58			0
149.	Ft. Smith, AR	120,700	4	8	1	47			1
150.	Bakersfield, CA	120,300	3	11	1	58			2
151.	Bangor, ME	119,300	4	7	1	20			0
152.	Medford, OR	115,800	3	7	1	46			0
153.	Missoula, MT	112,200	4	8	1	39			0
154.	Abilene, TX	111,500	3	8	1	57			1
155.	Albany, GA	109,100	5	7	1	37			1
156.	Utica, NY	100,700	2	13	1	55			0
157.	Florence, SC	98,800	3	4	1	34			0
158.	Sarasota, FL	95,000	2	7	1	16			1
159.	Idaho Falls, ID	93,300	4	6	1	34			0
160.	Tyler, TX	92,000	1	7	1	47			1
161.	Rapid City, SD	87,600	3	8	1	37			0
162.	Laurel, MS	83,000	1	4	1	28			0
163.	Elmira, NY	82,000	2	8	1	66			0
164.	Alexandria, LA	81,800	1	6	1	40			0
165.	Panama City, FL	80,400	2	6	1	24			1
166.	Alexandria, MN	79,300	2	3	0	28			0
167.	Salisbury, MD	79,200	3	5	1	50			0
168.	Billings, MT	75,800	2	10	1	36			0
169.	Clarksburg, WV	75,500	3	6	1	51			0
170.	Dothan, AL	74,600	2	5	1	34			1
171.	Watertown, NY	74,500	2	4	1	45			1
172.	Lake Charles, LA	71,600	1	6	1	39			1
173.	Gainesville, FL	70,300	2	8	1	53			1
174.	Ardmore, OK	69,100	2	3	1	37			0
175.	Greenwood, MS	66,600	3	4	1	50			0
176.	Jonesboro, AR	66,000	2	5	1	39			0
177.	Great Falls, MT	63,900	2	7	1	42			0
178.	El Centro, CA	58,000	1	3	1	59			0
179.	Biloxi, MS	57,400	2	8	1	50			1
180.	Eureka, CA	54,900	3	5	1	53			0
181.	Palm Springs, CA	54,600	2	6	1	99			0
182.	Meridian, MS	54,300	3	7	1	30			0
183.	Casper, WY	53,000	2	4	1	64			0
184.	Marquette, MI	52,400	3	4	1	62			0
185.	Roswell, NM	52,300	2	7	1	64			1
186.	Grand Junction, CO	49,900	2	8	1	42			0
187.	Cheyenne, WY	49.500	1	6	1	54			0

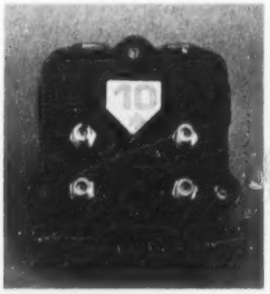
	Market	Television Households	UHF & VHF Stations	Radio Stations	Daily Newspapers	% Cable Penetration	% Cable Passby	Average # Cable Channels	MDS Channels
188.	Tuscaloosa, AL	48,700	1	10	1	40			0
189.	St. Joseph, MO	47,600	1	4	0	47			1
190.	Harrisonburg, VA	46,200	2	7	1	29			0
191.	Jackson, TN	44,000	2	5	1	40			1
192.	Lafayette, IN	41,200	1	6	1	64			0
193.	Bowling Green, KY	40,800	2	6	1	5			0
194.	Anniston, AL	40,700	2	4	1	55			0
195.	Lima, OH	39,400	2	6	1	67			1
196.	Mankato, MN	37,400	1	5	1	53			0
197.	San Angelo, TX	34,900	2	8	1	56			1
198.	Parkersburg, WV	34,500	1	11	1	72			0
199.	Ottumwa, IA	30,400	1	3	1	33			1
200.	Twin Falls, ID	30,300	1	5	1	46			0
201.	Zanesville, OH	30,000	2	2	1	58			0
202.	Presque Isle, ME	29,100	2	6	0	47			0
203.	Laredo, TX	28,900	2	3	2	63			1
204.	Farmington, NM	26,000	1	6	1	43			0
205.	Selma, AL	25,500	1	5	1	41			0
206.	Bend, OR	24,000	1	4	1	49			0
207.	Victoria, TX	24,000	1	5	1	70			0
208.	Helena, MT	16,700	1	6	1	50			1
209.	North Platte, NE	15,800	2	5	1	31			0
210.	Alpena, MI	15,100	2	4	1	52			0
211.	Miles City, MT	10,800	2	1	1	62			0

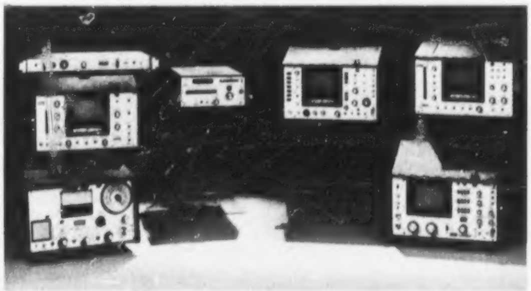
PRIESTER SUPPLY
COMPANY, INC.

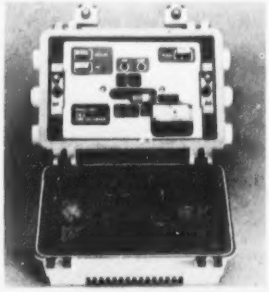
Texscan

Priester's 50 years of service in Texas as a stocking distributor, and Texscan's successful history as a manufacturer of CATV test and distribution equipment make a winning combination. Priester stocks for fast delivery Texscan/Theta-Com's full line including taps, splitters, line extenders, amplifiers and test equipment among others. Priester offers a warehouse facility of more than 50,000 sq. ft. and 5 experienced sales advisors.

Buy from a winner, give us a call today.







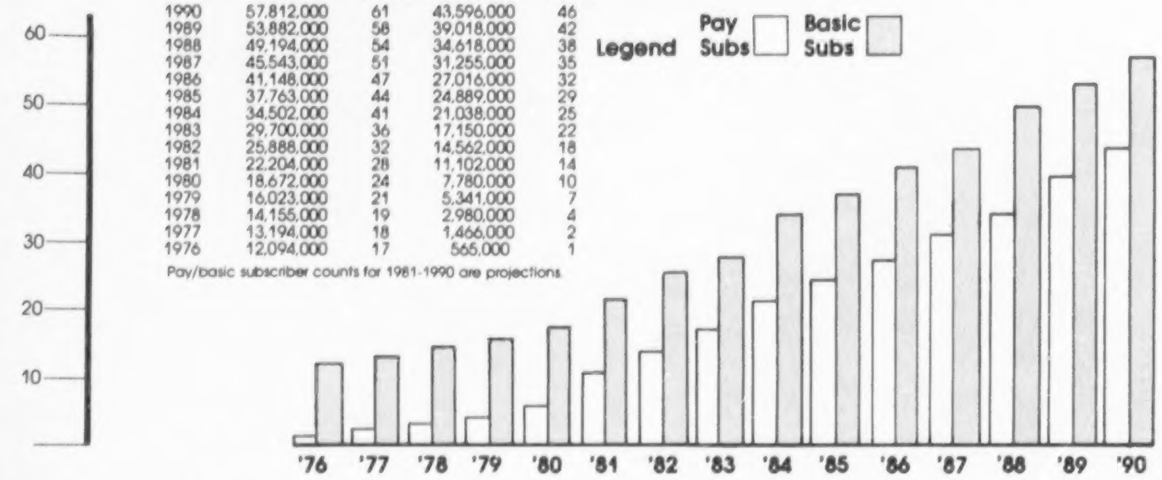
a Winning Combination

Priester Supply Company Inc.
P.O. Box 5507, 701 107th Street, Arlington, Texas 76011 (817) 261-1111

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,204,000	28	11,102,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1981-1990 are projections.



Top 30 MSOs

Rank	Multiple System Operator	Subscribers
1.	ATC	1,625,000
2.	Teleprompter/Westinghouse	1,533,322
3.	TCI	1,277,000
4.	Cox Cable Communications, Inc.	1,019,989
5.	Warner Amex Cable Communications, Inc.	820,000
6.	Storer Cable Communications	800,002
7.	Times Mirror	635,368
8.	Viacom Cablevision	535,000
9.	Newhouse Broadcasting (includes NewsChannels, MetroVision and Vision Cable)	528,981
10.	UA-Columbia	467,544
11.	Sammons Communications, Inc.	433,545
12.	United Cable Television Corporation	432,112
13.	Continental Cablevision, Inc.	410,000
14.	General Electric Cablevision Corporation	276,000
15.	Cablecom General/Capital Cities	268,577
16.	TeleCable Corporation	264,000
17.	Heritage Communications	210,000
18.	Liberty Communications	208,296
19.	Cablevision Systems Development (includes Cablevision of Chicago)	206,000
20.	Service Electric Cable TV, Inc.	189,500
21.	Comcast Corporation	186,392
22.	Wometco Communications, Inc.	180,000
23.	Midwest Video Corporation	174,349
24.	Century Communications	162,000
25.	TCA Group	155,000
26.	Tele-Media Corporation	154,000
27.	Western Communications, Inc.	146,399
28.	MacLean Hunter (includes Metro, Suburban and Wayne Cable)	143,451
29.	Daniels & Associates, Inc.	140,000
30.	Colony Communications, Inc.	131,459

Top 30 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	209,000
2.	Long Island, NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	124,300
4.	Manhattan, NY	Teleprompter	120,000
5.	West Orange, NJ	Suburban Cable	114,626
6.	Los Angeles, CA	Theta Cable/ Teleprompter	100,000
7.	Wayne, NJ	UA-Columbia	94,937
8.	Tulsa, OK	United Cable	91,113
9.	Erie County, NY	Prime Cable	90,961
10.	San Jose, CA	Gill Cable	86,000
11.	Central Islip, NY	Viacom	79,673
12.	Audubon, NJ	Audubon Electronics	79,125
13.	Orlando, FL	ATC	68,550
14.	Toledo, OH	Buckeye	66,907
15.	Wilmington, DE	Rollins Cable	65,600
16.	Austin, TX	ATC	65,295
17.	Grand Rapids, MI	General Electric	63,777
18.	Honolulu, HI	Oceanic Cable/ATC	59,400
19.	San Francisco, CA	Viacom	59,138
20.	Flint, MI	Comcast	57,255
21.	Allentown, PA	Twin County	57,000
22.	Santa Barbara, CA	Cox Cable	54,322
23.	Baton Rouge, LA	Daniels	52,000
24.	San Diego, CA	ATC	51,350
25.	Buffalo, NY	Cablescope	50,254
26.	Harrisburg, PA	Sammons	50,204
27.	San Rafael, CA	Viacom	46,286
28.	Monterey, CA	Western Communications	46,189
29.	Reading, PA	ATC	45,200
30.	Seattle, WA	Viacom	43,897

National advertising**

ARTS

New Clients
AT&T
General Motors
Mobil Oil Corporation

BET

New Clients
Carson Products (Dark & Lovely)**
Eastman Kodak
Ford Motor Company
General Foods
Home Box Office
Merrill Lynch
Metropolitan Life
North Carolina Mutual
Reynolds Metals
Wilson Sporting Goods
Wrigley's
Westinghouse

Renewals
Amtrak
Anheuser-Busch
General Electric
Mobil Oil Corporation
PepsiCo
Phillips Petroleum
Sears
Sports Illustrated
U.S. Army
U.S. Navy
Xerox

CNN

New Clients
ABC Leisure
ABC Video
Ace Hardware
Alcoa
Aloe International**
American Fur
Basic Four Computers**
Beaird Poulan Saw Company
Benjamin Moore Paint
Boise Cascade
Burro Trailers**
Champion Spark Plug
Cheesebrough-Ponds
Chevron Oil
Chrysler Corporation
Citicorp
Clorox
Congressional Club
CPC International (Best Foods)
CSX Corporation**
Days Inns
D-Con
Eastern Airlines
Eastman Kodak
E.R.A.
ESPN**
Ford Motor Company
General Cigar
Gillette
Goodyear Tire & Rubber
Gulf Oil Corporation
Hartford Insurance (ITT)
Harve Benard**
Hereth, Orr, Jones**
Hitachi
IBM Corporation
J.C. Penney
Kaiser Aluminum**
Kelly Springfield
Kennesaw Mint
Kingsford Company
L'eggs Products
Libman Broom Company**
Magnavox
Maona Loa**
Max Factor
Mayflower**
McCullough Chain Saws
Memorex
Metropolitan Life
Mirror Brite Auto Polish
Mobil Oil Corporation
Mushroom Shoes**
Nabisco
Norcliff Thayer
Playtex
Red Carpet Inns
Revlon
Reynolds Metals
Richardson-Vicks
Ross Daniel, Inc.
Saab
S.C. Johnson
Schering Plough
Scott Paper
Speed Queen
Thomas J. Lipton
Tog Shop**
Turtle Wax
Twentieth Century-Fox
U.S. Air Force
Wang
Warner Communications

Renewals
Alpo Dog Food
Amana
American Cyanamid
American Express
American Home Products
Andrew Peck Stockbroker
Arkla Grills
Atlantic Richfield
AT&T
Avon Books
Bristol-Myers
British Calendonian Airways
Campbell Soup
Canon
Dow Jones
Duracell
Electra Company
Exxon
Fidelity Group of Funds
Florida Citrus Commission
Franklin Spier Publishers
G.E. Credit
General Foods
General Mills
General Motors
GTE-Sylvania
Haggar Company
Hanes
Hilton Hotels
Hinkle Enterprises
Holiday Inns
Home Box Office
Hyatt Corporation
Irma Shorell Cosmetics
Jartran Truck Rentals
Jenn-Air
Johnson & Johnson
K-Mart
Konica
Kraft
Lanier Business Products
Lionel Leisure
Maalox
MasterCard
McDonnell-Douglas
Menley James
Merrill Lynch
Neighborhood Realty Group
Nestle
Newsweek
Oster
Proctor & Gamble
Quaker Oats
Ralston Purina
RCA
Remington
Rodeway Inns
Schlitz
Sears
Sentry Insurance
Sharp Electronics
Shearson-Loeb-Rhoades
Shell Oil
Showtime
South African Airways
Time Inc.
Toyota
UGL Paints
Union Carbide
U.S. News and World Report
Vivitar
Warner Amex
Warner Lambert
Wrigley's
Xerox

CBS Cable

New Clients
Exxon
Kellogg's
Kraft
Quaker Oats

Christian Media Network

New Clients
Arnana
Foreman & Clark Clothiers
Hobart (Kitchenaid)
Keenan & Clarey
Time-Life Books
Word Records

ESPN

New Clients
Activision**
Alcoa
American Home Products
Apple Computers**
Arbor House**
Avco Embassy Pictures
Avis
Avon
Beaird-Poulan
Benjamin Moore Paints
Blue Nun Wines
Bobby Hinds Lifeline Gym
Bost Enterprises
Bristol-Myers
Bruno-Dean Enterprises
Brown Shoe
Brunswick
Cablecast**
Cable TV Program**
Campbell Soup
Capital Gains**
Carol VI Music**
Carter Wallace
Casio**
CBS
Champion Spark Plugs
C & L Marketing**
Coleco
Colgate-Palmolive
Columbia Pictures
Commodore Electronics**
Continental Insurance
Converse
Covetics**
Dow Chemical
Discover Americard**
E & M Advertising**
Eastern Airlines
Eastman Kodak
Ebonite Bowling Balls**
Ettinger Enterprises**
Family Handyman**
Federal Express
Fiat
Filmways Pictures
Fingerhut Catalogs**
Firestone
First Jersey Securities**
Ford
Fotomat
Fram
General Foods
General Motors
Gillette
Goodyear
Haggar
Hail Catalog**
Hertz
Hitachi
Hockey magazine**
Hockey News**
HBO
Homer Formby Products
IBM
Inc. magazine**
J.B. Williams
J.C. Penney
Jet Report magazine**
Johnson & Johnson
Kemper Insurance
Kraco
Kroy Industries**
M & M/Mars
Muttel
McGraw Hill
Meguiar's Auto Polishes
Mennen
Mercedes-Benz
Metropolitan Life
Michelin
Microsonics**
Mitsubishi
Mobil
National Home Life Insurance
Nissan Motors
Norelco
Paramount Pictures
Pentax
Penthouse magazine
Philips Petroleum
Popeil Products
Porsche Audi
Pro magazine**
Qantas Airways**
Radio Shack
Ralph Esposito Enterprises**
RB Products**
RCA
Reed-Union
Renfield Importers
Richland Shoe**
R.J. Reynolds
Rochester Clothiers**
Rolex**
Ross Daniels**
Saab
SBM Professional Management**
Schrade**
S.C. Johnson
Shelburn Gardens**
Showtime
Smith Barney
Sperry
Sport magazine
Stokley Van Camp
Tennis magazine**
Time-Life
Timex
Time-Mirror magazine
Top Rank Productions**
Toyota
Troy Bilt Garden Equipment**
True Value Hardware Stores
Twentieth Century-Fox
United Artists
Universal Pictures
U.S. General Supply
U.S. Navy
U.S. News and World Report
U.S. Tobacco
Volvo
Wally Frank**
Warner Lambert
Wellington Properties**
William Sonoma Catalog**
Xerox
Yamaha

Renewals
Ace Hardware
American Cynamid
American Express
Anheuser-Busch
AT&T
Colonial Penn Insurance
Dow Jones
Encyclopedia Britannica
Equity Art Fund
Exxon
Freedom Phone Electra Company
Fuji Film
Getty Oil
GTE
Hilton Hotels
Holiday Inns
Kiplinger Publications
Marriott Hotels
Newsweek
Noxell Corporation
Owens-Corning Fiberglass
Panasonic
Pennzoil
Playboy
Prince Manufacturing
Smithsonian magazine
Source Financial
The Sporting News
Sports Illustrated
Sports Shack
Subaru
TV Guide
Urban General Corporation
Volkswagen
Warner Amex
Warner Communications

MSN

New Clients
American Iron & Steel Institute**
AT&T (Western Electric)
Black & Decker
Borden
British Post Office**
Charmglow
Chemical Manufacturers Association**
Culligan
Diamonair**
Encyclopedia Britannica
Faultless Starch (Bon Ami)
First Commodity Corporation of Boston**
GK Technologies
Gillette
Haggar
Howmett Aluminum**

Kraft
Libby's Products
Maytag
Mercedes-Benz
North American Systems
Oster
Pennzoil
S.C. Johnson
Sherwin-Williams
Tandy (Radio Shack)
Thomas J. Lipton
Vogue Butterick
Wear-Ever
Weight Watchers

Renewals
Anheuser-Busch
Conoco
Dow Chemical
Edison Electric
Ford
General Motors
Hershey Foods
J.C. Penney
John Hancock
Kelly Services
Kemper Insurance
Liberty Fund
Monsanto
Montgomery Ward
Occidental Petroleum
Philip Morris
Pillsbury
Proctor & Gamble
Ralston Purina
St. Regis Paper
Tenneco
Texaco
United Airlines

MTV

New Clients
Andron Fragrance
Avco Embassy Pictures
Casablanca Records**
Chanel
Dolby
Filmways Pictures
The Gap
Magnavox
Memorex
Musk Fragrance
Nestle
Pepsico
Philip Morris (7-Up/Mountain Dew)
Proctor & Gamble
S.C. Johnson
United Artists
U.S. Navy
Universal Pictures
Warner Communications (Atari)
Warner Lambert

SPN

New Clients
Aer Lingus Airlines**
Allied Irish Bank**
American Express
American Fur Industries**
Avon Books
Bristol-Myers
Eastman Kodak
Esquire Video Cassettes**
Estee Louder**
Exxon
Ford
Gillette
Home Box Office
IBM
Irish Tourist Board**
Kuwait Air Lines**
Lever Brothers
Metropolitan Life
Paine Webber
Pillsbury
Polygram Records**
Ralston Purina
S.C. Johnson
Texaco
Thompson Medical
TWA
Travel Holiday magazine**
Urban General
Wrigley's

Renewals
Attenzione magazine
Dow Jones
Doubleday (Literary Guild)
Family Circle
Il Progresso
Newsweek
Peugeot
Time-Life

SIN

New Clients
Bic
Coca Cola
Columbia Pictures
Faberge
Goodyear
H.J. Heinz
J.C. Penney
Mattel
Mexico National Tourist Board**
Morton-Norwich
U.S. Coast Guard
Universal Pictures

Renewals
American Home Products
Anheuser-Busch
Armour-Dial
Bulova
General Foods
General Mills
Gillette
Johnson & Johnson
K-Mart
Kellogg's
Kinney Shoes
Kraft
McDonalds
Pepsico
Philip Morris
Polaroid
Proctor & Gamble
Rubbermaid
Schlitz
S.C. Johnson
Vidal Sassoon
Wrigley's

TeleFrance

New Clients
American Fur Industries
British Airways
Consumer Reports*
Daniel Hechter**
Elf Aquitaine**
Exxon
Ford
HBO
Peugeot
Remy Martin
Travelers Insurance

Renewals
Air France
Chanel
Jean Paul Germain
Metropolitan Life Insurance
Renault
Revlon

USA Network

New Clients
American Fur Industries
American Veterans Health and Accident Insurance
Absorbine Jr
AT&T
Australian Tourist Commission**
Bic
Biney & Smith (Crayola)
Blue Nun Wines
Bristol-Myers
Britrail**
Brown Shoe
Clinique**
Consolidated Cigar
Dow Jones
Exxon
Federal Express
Fiat
Ford
General Electric
General Foods
Gillette
Golden Nugget Hotel**
GTE
Honda
J.C. Penney
Kodak
L'eggs
Levelor
Magnavox
Mattel

Maybelline
Mazda
Mobil
Pentax
Playboy
Porsche Audi
Pro magazine
Rolling Stone magazine**
St. Regis Paper
Scott Paper
Sherwin-Williams
Showtime
Singapore Airlines**
Spaulding (Questor)
Twentieth Century-Fox
U.S. Navy
Warner Amex
Warner Communications
Wrangler
Wrigley's
United Artists
Universal Pictures
Volkswagen

Renewals
American Express
Anheuser-Busch
Eastern Airlines
Holiday Inns
HBO/Time-Life Books
Johnson & Johnson
Levi Strauss
Merril Lynch
Newsweek
Pepsico
Philip Morris (Miller Brewing)
RCA
Toyota
Z-Brick

WTBS

New Clients
A.H. Robins
Anheuser-Busch
Armour
Aurora
Beck & Gregg**
Beechnut Chewing Tobacco**
Capitol Records
CBS Toys
Celotex Corporation
Coleco
Color Forms
Consolidated Foods
Conwood/Hot Shot**
Dr. Scholls
Eastern Airlines
ESPN
Esmark
Faberge
Flavo Rich**
Fort Walton Beach**
Foster Grant Sunglasses
Frito Lay
Gatlinburg Tourism**
Getz
Gulf Oil
Hardees
Honda Power Products
Hudson & Marshall**
Jeno's Pizza
Johnson, S.C
Kleen King**
K-Tel
Krystal**
Lee's Jeans
M & M/Mars
Matchlight Charcoal
Mauna Loa
Max Factor
MCA Records
Mirror Brite Auto Wax
Mississippi Gulf Tourism
Mobil Oil Corporation
National Car Rental
North Carolina Mutual
Opryland Resort**
Panasonic
Pennzoil
Pinkerton**
Pioneer Stereo
Playboy magazine
Plough (Paas kits)
Pure Water, Inc.**
Ronco**
Science '81
Servistar**
Skill Corporation
The Sporting News
Stanley Tools
Star Brite
Stihl
Swiss Colony
Time-Mirror magazine
Thompson Medical
Tuborg Beer
White, Martha**
Zales

Renewals
Acme Boots
Aftate
Air Force Reserves
Alabama, State of
Alberto Culver
American Home Products
Binney & Smith (Crayola)
BMW
Bristol Myers
Campbell's Soup Company
Canon
Champion Home Builders
Champion Spark Plugs
Chattanooga Chew
Chick-Fil-A
Ciba Geigy
Citicorp
Coca Cola
Colgate
Consolidated Cigar
Coosa Slacks
Cotton States Insurance
Datsun
Daytona Beach Tourism
Days Inns of America
Dow Chemical
Dow Jones
Fiat
Florida Tourism
Ford Motor Company
Fram
Franklin Spier Books
Gabriel Toys
General Cigar
General Electric
General Foods
General Mills
General Motors
Gillette
Golden Flake
Goodyear
Goody's/SSS
Hanes Hosiery
Hartz Mountain Products
Hasbro Industries
HBO
Hershey Foods
Holiday Inns
Honey Baked Hams
Hubbard Slacks
Hyatt Hotel
Ideal Toys
Jacobson Lawn Products
Jenn-Air
Jim Dandy
Kellogg
Kelly Springfield
K-Mart
Kemper Insurance
Kenner
L'eggs Hosiery
Lego Toys
Lesney Products
Lever Brothers
Life Magazine
Lionel Leisure
Magnavox
Maybelline
McKee Baking
Mego Toys
Milton Bradley
Morton-Norwich
Nabisco
Nestle
Newsweek
Noxema
Owens Corning
Pabst/Blue Ribbon
Penney, J.C.
Pepsico
Pigeon Forge
Pillsbury
Quaker State
Ralston Purina
RCA
Red Carpet Inns
B.J. Reynolds
Schwinn
Schering Plough
Sears
Showtime
Starkist
Stokley Van Camp
Stride Rite
Stroh's
S/V Tools
Sunkist
Sun Life Group
Suzuki
Time Inc.
Tomy Toys
Toyota
Turtle Wax
Union Carbide
Universal Pictures
U.S. Army
U.S. News & World Report
Vivitar Cameras
Volkswagen
Volume Shoes
Warner Amex
Warner Lambert
Wagner Thirst Quencher
Wrigley

*This chart lists national advertising sales by basic cable networks made so far for 1981.
**New to network advertising.

Subscriber counts

Basic Cable Services (television)*	Systems	Homes	% Change In Homes From 9/30
WTBS	3,633	16,730,000	+6.03
CBN	2,900	13,800,000	+3.76
ESPN	2,757	12,708,608	+4.05
C-SPAN	1,150	10,000,000	N.C.
CNN	1,681	9,115,000	+5.38
USA Network	1,600	9,000,000	+5.88
BET	760	8,323,266	+2.35
WGN	2,101	7,144,557	+3.89
Nickelodeon/ARTS	1,400	5,600,000	+7.69
WOR	1,073	4,353,246	+3.93
Modern Satellite Network	538	4,100,000	N.C.
PTL	390	3,950,000	+0.25
SPN (as of 10/15)	347	3,327,416	+5.76
CBS Cable (new this month)	250	3,000,000	N.A.
SIN**	145	2,756,800	N.C.
AETN	285	2,681,478	+7.26
MTV	300	2,500,000	N.C.
National Jewish Television	63	1,528,650	+6.61
ACSN	233	1,271,608	+12.48
Trinity	140	1,271,562	+9.62
Episcopal Television Network	67	1,042,000	+0.68
Christian Media Network	120	1,000,000	N.A.
North American Newstime	115	830,000	+0.52
Eternal Word Television Network	14	285,900	N.C.

Basic Cable Services (audio)*			
WFMT	88	605,856	+2.06
Lifestyle	30	300,000	+27.54

STV Service*			
SelecTV Programming	9	210,000	+10.53

Pay Cable Services (television)*			
Home Box Office	3,000	7,500,000	+7.14
Showtime	1,300	2,500,000	+25.00
The Movie Channel	1,400	1,650,000	+10.00
Cinemax	400	700,000	N.C.
Home Theater Network	210	142,000	N.C.
Escapade	65	140,000	+7.69
Private Screenings***	11	127,000	+1.60
Bravo***	11	120,000	N.C.
GalaVision	105	92,000	+2.22

Announced Satellite-Fed Cable Services	Projected Launch Date
Cable News Network II	1/1/82
Home Theater Network Plus	1/1/82
Eros	1/1/82
Daytime	3/15/82
RCTV/The Entertainment Channel	first quarter 1982
Satellite News Channels (channel one)	first quarter 1982
Cable Health Network	second quarter 1982
The Nashville Network	second quarter 1982
Cable Newspaper Corporation	second quarter 1982
UTV Cable Network	second quarter 1982
Kidvid Network	second quarter 1982
ESPN/ABC pay sports service	second quarter 1982
The Weather Channel	second quarter 1982
Cinemerica	mid-1982
Black Music Cable Network (Inner City/Unity)	third quarter 1982
Satellite News Channels (channel two)	fourth quarter 1982
The Disney Channel	first quarter 1983
Las Vegas Entertainment Network	T.B.A.
The Buena Vista Channel	T.B.A.
Lewmark Productions' Music Channel	T.B.A.
Heartbeat Media Network	T.B.A.
Spanish Universal Network	T.B.A.
Window (independent producers network)	T.B.A.
Video Concert Hall (relaunch)	T.B.A.
Penthouse Entertainment Network	T.B.A.
Times Mirror Shopping Channel	T.B.A.
The Nostalgia Network	T.B.A.

*Satellite-fed services' subscriber counts are as of October 31 unless noted otherwise.
**Estimated Spanish speaking households, includes broadcast stations and translators.
***Includes STV services
N.A. designates not available.
N.C. designates no change.
T.B.A. designates to be announced.

Satellite line up

Satcom I (RCA Americom)	Transponder
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAL, Dow Jones)	3
Inoperative	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO owned, presently not working	13
Cable News Network	14
Warner Amex owned (for CNN II)	15
Showtime, ACSN, National Jewish Television, AETN, Compact Video (4:00 p.m. to 4:00 a.m.)	16
Showtime (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
United Video (7:00 a.m. to noon) Times Mirror (Spotlight, noon to 7:00 a.m.)	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network during early evening)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IIIR—Projected launch November 19, 1981, 24 transponders, 4/6 GHz
Satcom IV—Projected launch January 12, 1982, 24 transponders, 4/6 GHz
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)	Transponder
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Robert Wold Company/Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word Television Network/occasional video services	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)	Transponder
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz.Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

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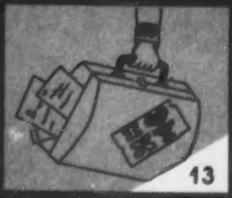

- Teleprompter packs it in in New York City
- NCTA board compromises on compromise
- WTBS survey says it's number one
- Big push for addressability

CableVision™

The news and features weekly of the cable television industry

December 14, 1981

Western Show breaks records

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Cover story

The 1981 Western Show, bigger, maybe better, than ever, brought the expected round of major and minor announcements from suppliers to the cable television industry as well as a full slate of speakers and seminars. The Western Show also brought out of the woodwork the largest retinue of cable personnel and afficianados ever to descend on its Anaheim stomping grounds. Our convention coverage begins in "Leading the week," on page 13 and continues in this week's cover story on pages 27 through 39.

Transponder tug-of-war

A one-ring circus develops away from the Western Show over who has the final availabilities on Hughes' Galaxy I and SPCC's Spacenet I satellites. This cast of players includes ABC, NBC, SIN and Cox. **Page 24.**

Packing up

Teleprompter withdraws its bids for New York's Brooklyn and Queens borough franchises. **Page 13.**

Doing it their way

SBS reveals success of a three-month test to prove that "alternatives exist to the constraints of telephone facilities for the local loop in major metropolitan areas." **Page 44.**

Power politics

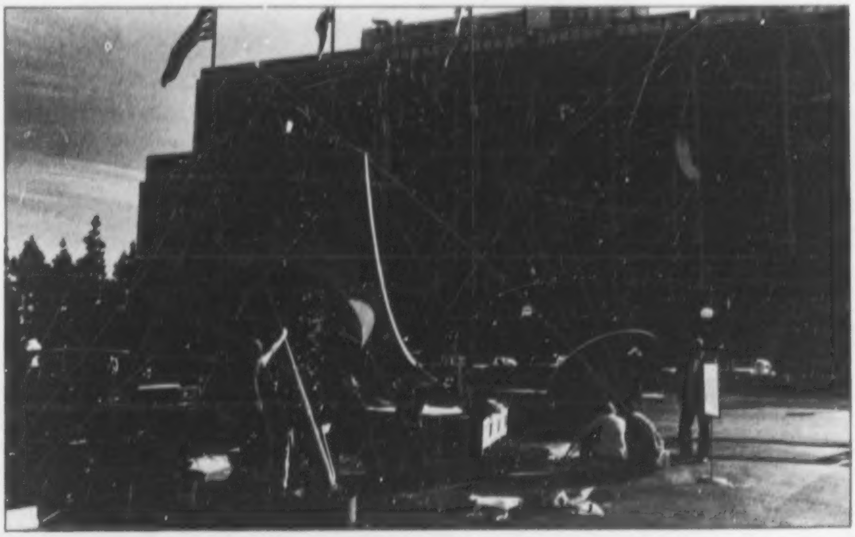
The Prince George's County (Maryland) Council has upheld its controversial franchise awards, overriding a veto attempt by the county executive. **Page 61.**

'Supercable'

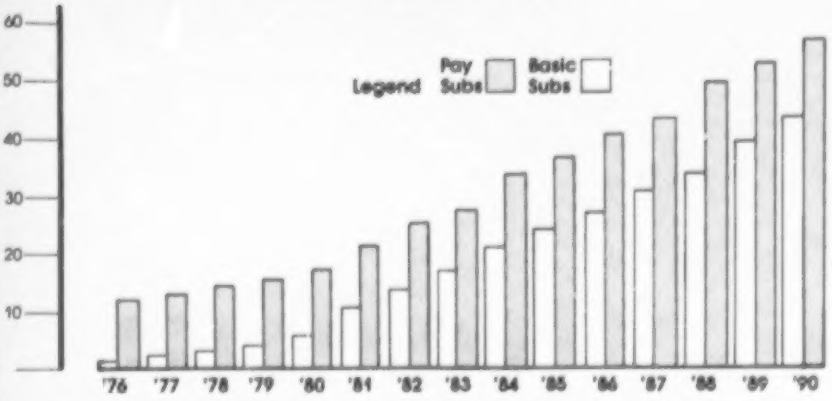
In an attempt to revitalize itself, WNYC, New York City's municipal public television station, embarks on a new road, with cable as the guiding light. **Page 65.**

Greener pastures

Roger Baer of Arthur Anderson & Company describes the role Incentive Stock Options can play in helping to retain and attract key executives. **Page 49.**



Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,204,000	28	11,102,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1981-1990 are projections.

Film product comparison

Film	Networks					Distributor
A Change of Seasons	HBO*					20th Century-Fox
An Enemy of the People			(TMC)		C*	Warner Bros.
Adam's Rib	HBO	ST				MGM
Advance to the Rear		ST			(C)	MGM
Airplane	(HBO)	(ST)	TMC*	HTN*		Paramount
Alfred the Great					C*	MGM
All That Jazz	HBO	(ST)	TMC			20th Century-Fox
American Gigolo	(HBO)		TMC			Paramount
Animalympics		(ST)	TMC			Film Gallery
Apocalypse Now	HBO					UA
Ask Any Girl		(ST)			C	MGM
Avanti			TMC*			UA
Bear Island	HBO*					Selkirk
Becket		ST				Video Commun.s
Being There	(HBO)	ST	TMC*	HTN*		Lorimar
Bhowani Junction		(ST)			C*	MGM
The Bitch		ST*				Brent Walker
Black Beauty					C*	Alan Enterprises
The Black Stallion	HBO	ST	TMC	HTN*		UA
Blood and Guts		ST				Viacom
The Blue Lagoon	HBO*	ST*	TMC*			Columbia
The Blues Brothers	(HBO)	(ST)	TMC			Universal
Bon Voyage, Charlie Brown	(HBO)	ST*	TMC	HTN*		Paramount
Breaking Glass	HBO					Paramount
Brubaker	(HBO)	(ST)	TMC			20th Century-Fox
Bruce Lee's Deadly Kung Fu		ST*				21st Century
The Bushido Blade	HBO*					Trident
Caddyshack	(HBO)	(ST)	TMC*			Warner Brothers
Cardiac Arrest			TMC			Film Ventures
The Cat From Outer Space	(HBO)	ST	(TMC)			Disney/Buena Vista
Catherine and Company		(ST)			C	Film Gallery
Chapter Two	(HBO)		TMC	(HTN)		Columbia
The China Syndrome	HBO	(ST)				Columbia
The Chinese Connection		(ST)	TMC			Graff
Christmas Mountain		ST				CMA
The Christmas That Almost Wasn't	HBO					Cinetel
Cloud Dancer			TMC			Viacom
The Club			TMC			Cinaco
Coal Miner's Daughter	(HBO)	(ST)	TMC*	(HTN)		Universal
Coast to Coast	(HBO)		(TMC)	HTN*		Paramount
Deadman's Float		ST*				Satori
Die Laughing					C	Warner Bros.
Doctor Zhivago			TMC			MGM
Don't Go in the House			TMC			Film Ventures
The Dot and the Kangaroo			(TMC)		C	Satori
The Dot and Santa Claus			TMC			Satori
Dressed To Kill			TMC		C*	Filmways
8½					C*	Corinth
The Electric Horseman	(HBO)	ST	TMC			Columbia
Elvis				HTN*		Worldvision
Fame	(HBO)	(ST)	TMC*			MGM
Fatso	HBO*		(TMC)			20th Century-Fox
Fear No Evil		ST				Avco Embassy

Film	Networks					Distributor
The Fifth Floor		ST*				Film Ventures
The Final Countdown	(HBO)			HTN		UA
The First Family			TMC			Warner Bros
Fists of Fury		ST*				Graff
Forbidden Planet		ST*			C	MGM
The Formula	HBO	ST	TMC			MGM
The Fox					C	Warner Bros.
Foxes		(ST)			C*	UA
From the Life of the Marionettes	HBO					ITC
The Gathering		ST		HTN	C	Worldvision
The Getting of Wisdom			TMC		(C)	Film Gallery
Gilda, Live			(TMC)		C*	Warner Bros
The Glass Bottom Boat		ST				MGM
Gloria	(HBO)	ST*	(TMC)	(HTN)		Columbia
The Godsend			TMC			Cannon
Going in Style	(HBO)				C	Warner Bros.
Grasshopper					C	Warner Bros.
Hail to the Chief			TMC			Fred Levinson
Hangar 18	HBO*	ST*	(TMC)	(HTN)	(C)	Worldvision
Hardcore	HBO*					Columbia
The Hardway					C	ITC
Hawk the Slayer					C	ITC
Headin' for Broadway	HBO*					20th Century-Fox
The Heist			TMC			Gold Key
Hollywood High		ST*				Film Gallery
Hopscotch	(HBO)		TMC*		(C)	Viacom
Hot Lead and Cold Feet		ST*				Disney/Buena Vista
Hotel Paradise					C	MGM
How To Beat the High Cost of Living		ST*	(TMC)		C*	Filmways
1941	HBO*	(ST)		HTN*		Universal
In God We Trust	HBO*		(TMC)			Universal
The In-Laws	(HBO)					Warner Bros
Inside Moves	HBO		TMC			AFD
Jailhouse Rock		(ST)			C*	MGM
Jesus	HBO		TMC	HTN		Warner Bros.
Julius Ceasar		ST				MGM
Just Tell Me What You Want	(HBO)		(TMC)		C*	Warner Bros.
Kramer vs. Kramer	HBO	ST	TMC	HTN		Columbia
The Lady Vanishes					C	Rank
The Last Married Couple in America	HBO*					Universal
Last Tango in Paris		(ST)			C	UA
Let It Be			(TMC)		C	UA
The Lion in Winter					C	Avco Embassy
The Little Dragons		ST*				SMA
Little Miss Marker	HBO	ST		(HTN)		Universal
The Long Riders	HBO*	(ST)	TMC*			UA
The Longest Yard		ST*	(TMC)			Paramount
Love and Death			(TMC)		C	UA
March of the Wooden Soldiers					C	Prime TV Films
Manhattan					C	UA
The Marriage of Maria Braun			TMC*			Film Gallery
Meteor					C*	HBO
The Mirror Crack'd	HBO*					EMI
The Money Trap		ST*				MGM
Mulefeathers		ST*				Gold Key
My Bodyguard		ST	TMC*	(HTN)	(C)	20th Century-Fox
Newsfront					C	New South Wales Film
No Nukes			TMC		C	MUSE Inc.
The Nude Bomb	HBO			(HTN)		Universal

Cable stats

Film	Networks					Distributor
Nutcracker Fantasy		ST				Sanrio
The Octagon	HBO					ACR
Oh, God! Book II	(HBO)	(ST)	TMC*	(HTN)		Warner Bros
Ordinary People	(HBO)	ST*	TMC*			Paramount
The Outsider	HBO					Paramount
Pain in the A—					C	Castle Hill
Penelope		ST				MGM
Pete's Dragon	HBO*					Disney/Buena Vista
Private Benjamin	(HBO)	(ST)	TMC*			Warner Bros
Quo Vadis		ST			C	MGM
Rascal Dazzle		(ST)			C	Castle Hill
Resurrection		ST	(TMC)	(HTN)	(C)	Universal
Richard Pryor In Concert	HBO					HBO
Roller Boogie	HBO*				(C)	Compass Int'l
The Rose	HBO	(ST)				20th Century-Fox
Rough Cut	(HBO)	ST*		HTN*		Paramount
Scavenger Hunt		ST	(TMC)	HTN*	C	20th Century-Fox
Second Wind			TMC			Electric Picutures Company
The Shining	(HBO)	(ST)	TMC*			Warner Bros
Silent Scream	(HBO)				C	Telepictures
Singin' in the Rain		ST*			C	MGM
The Sleeping Car Murder					C	Warner Bros
Smokey and the Bandit II	(HBO)		TMC	(HTN)		Universal
Snowball Express	HBO		TMC			Disney/BUena Vista
Somebody Up There Likes Me		ST*			C	MGM
Son of Monte Cristo					C*	Alan Enterprises
The Spiral Staircase					C	Warner Bros
Star Trek The Motion Picture		(ST)	TMC	HTN		Paramount
Stardust Memories			TMC*		(C)	UA
Starting Over			TMC*			Paramount
Steel				(HTN)	C	World National
The Stunt Man			TMC*		(C)	Viacom
Sunday Lovers	HBO*		(TMC)			MGM
Superman The Movie	HBO	(ST)	(TMC)	HTN*		Warner Bros
Swept Away					C*	Cinema 5
Tarka the Otter				HTN		Rank
10	HBO					Warner Bros
Three Warriors	HBO*				(C)	Zaentz
Thise Lips, Those Eyes					C	UA
Time After Time		(ST)		(HTN)	C*	Warner Bos
Tom Sawyer					C*	UA
Touched By Love	(HBO)	ST	(TMC)	HTN		Columbia
Trilogy		ST				Viacom
Tuck Everlasting		(ST)	TMC*		(C)	N. Babbitt
Tunnelvision			TMC		(C)	K Pay
Urban Cowboy	(HBO)	(ST)	TMC	(HTN)		Paramount
The Water Babies	HBO	(ST)	(TMC)			SMA
Why Would I Lie?		ST		(HTN)		MGM
Wild Babies	HBO					Stouffer
Wise Blood		(ST)			C*	New Line Cinema
Woodstock			TMC*		C*	Warner Bros
The Working Girls		ST				Swank
The World's Greatest Athlete			TMC			Disney/Buena Vista
Xanadu	HBO		TMC*	(HTN)		Universal
Young and Free		ST*			(C)*	Manson
The Young Pioneers Christmas			TMC			ABC Pictures
Zero to Sixty		ST	TMC		C*	Samuel Goldwyn

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network
C—Cinemax

■ Networks in parentheses indicate carriage in July, August, September, October and/or November

■ An asterisk following a network indicates the film is a carry-over from July, August, September, October and/or November

■ In total, 170 films appear on the December schedules of HBO, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles during the last six months (July-December, 1981), one title (Hangar 18) has appeared on all five networks, 14 titles have appeared on four networks, 30 on three networks, and 46 on two networks. Seventy-nine films are unduplicated.

■ MGM and Warner Brothers tie as the motion picture distributors with the most titles featured this month, at 20 apiece. United Artists follows with 13 films, with Paramount at 12 titles, and Universal at 10.

■ 1979's Academy Award-winning Best Picture, Kramer vs. Kramer is featured on the December program guides of HBO and Showtime. Touched By Love, the sleeper film starring Deborah Rafkin, graces Home Theater Network's bimonthly guide (November-December). And in honor of the season, the HBO/Cinemax guide lists movies in a season's greetings card display, while The Movie Channel groups its program guides of 1981 under the yuletide tree.

NYC cable TV proposals

Company/borough	Channels	Monthly rates	Installation fee	Local Programming Proposals
ATC/Queens	10		$56.00	10 channels, 17 studios, 10 mobile vans, $50,000 for minority access channel development.
	26*	$6.95	19.95	
	46*	12.95	19.95	
	49*	16.95	19.95	
Cablevision Systems/Brooklyn and the Bronx	53*	4.50		8 channels, 5 studios, 5 vans, no direct financial contributions.
	73*	10.50	40.00	
Cox Cable/Staten Island	16*		49.95	26 channels, 3 studios, 3 vans, $200,000 per year for local programs.
	66*	4.95	29.95	
	77*	7.95	19.95	
Inner City Unity/Queens	28			42 channels, 14 studios, 22 vans, no direct financial contributions.
	52	2.95	15.00	
	80*	5.95	15.00	
	88*	8.95	15.00	
Teleprompter/Brooklyn**	12		45.00	19 channels, 9 studios, 12 vans, $1 million per year for local program foundations.
	48*	4.95	24.95	
	71*	10.75	24.95	
	79*	14.95	24.95	
Warner Amex Cable Communications/Brooklyn Queens and Staten Island	34*	9.95	14.95	16 channels, 3-9 studios, 3-10 vans, $3 per sub per year to local program organization.
	52*	14.50	14.95	
	67*	15.50	24.95	
Vision Cable/Staten Island	30	3.95	15.00	11-22 channels, 3 studios, 2 vans, percentages of gross revenues for non-profit local group.
	52*	7.95	25.00	
	80*	8.95	25.00	

*More services available for additional fee.
**See "Leading the week."
Source: New York Times (11/22/81).

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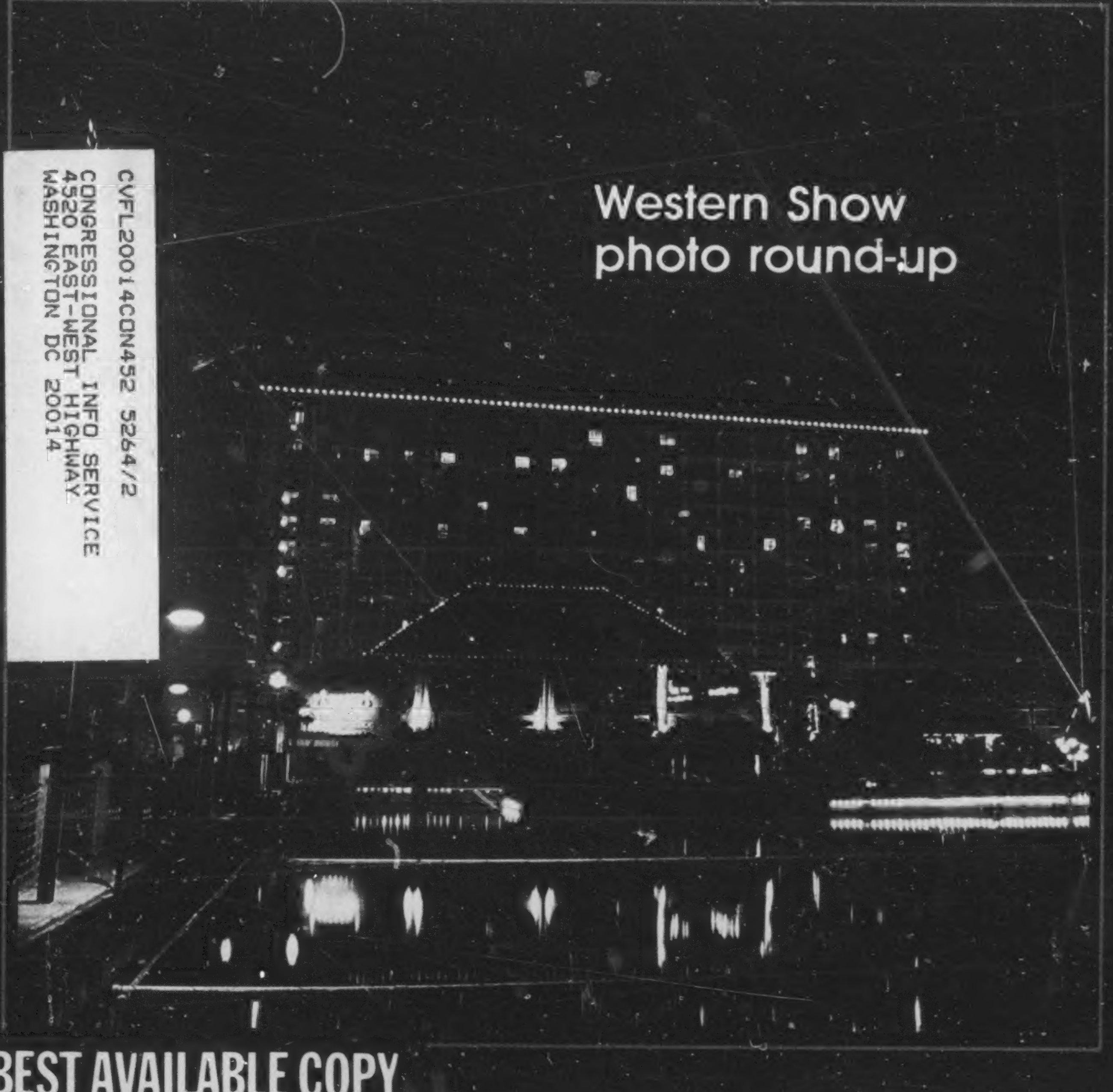
- Slicing up the big apple
- Copyright compromise still in doubt
- Wirth introduces 1981 Telecommunications Act
- RCA transponder auction draws heavy criticism

CableVision

The news and features weekly of the cable television industry

December 21, 1981



Western Show photo round-up

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Slicing up the big apple
Copyright compromise still in doubt
Wirth introduces 1981 Telecommunications Act
RCA transponder auction draws heavy criticism
CableVision
December 21, 1981
The news and features weekly of the cable television industry
Western Show photo round-up

Western round-up

The 1981 Western Show is behind us, with memories of Disneyland, Showtime's Speakeasy, Johnny Cash, Ella Fitzgerald, and a number of interesting and exciting announcements that preface what may well be a pivotal year for cable in 1982. *CableVision* photographers caught some of the action that took place in Anaheim in our annual photo wrap-up. Editorial coverage of the final panels and events begins on **page 30**. Cover photo by Rob Stuehrk.

The big winner

Warner Amex wins big in the estimate of the New York Board of Estimate, receiving pieces of Queens, Staten Island and Brooklyn. Chuck Dolan, whose Cablevision Systems had planned to wire the Bronx—provided it received a profitable slice of another borough—is hinting that he may drop out of all franchising negotiations. **Page 13.**

Copyright see-saw

The controversial copyright compromise, after two days of hearings in Congress, is still very much in doubt as to its final outcome. The major opponents, MPAA's Jack Valenti and NAB's Vincent Wasilewski, disapprove of the addition of a transition period for renewed syndicated exclusivity liability. **Page 14.**

Remember 5158

Representative Tim Wirth (D-CO), chairman of the House Subcommittee on Telecommunications, Consumer Protection and Finance, has added another verse to the litany of legislative attempts to rewrite the Communications Act of 1934. The latest is H.R. 5158. **Page 18.**

Critical results

Some 18 challenges have been filed with the FCC over RCA Americom's satellite auction conducted last month. The auction, which earned RCA $90 million in 45 minutes, has been criticized as to the legitimacy of the concept and the process. **Page 21.**

Blossoming partnership

Tele-Communications, Inc., which is already working with Taft in a franchising and programming joint venture, has formed another one, this time with Knight-Ridder. The newspaper giant has long searched for a valuable cable partner. **Page 24.**

California Cable Television Association President Marc Nathanson (a/k/a president of Falcon Communications) served as host during the Western Show in Anaheim. The convention drew over 11,000 attendees.

Credit where credit is due:
A special thanks to Hughes Aircraft Company for allowing *CableVision* the use of the artwork which appeared on the opening page of the refranchising story in the December 7, 1982 issue.

county (Reston) and would have been required to bid against its present system. Fairfax County cable administrator William Rossi was surprised by the pull-out. "I don't sense anyone else competiting for the franchise had the same problems with the RFP. I doubt others will pull out," he said. The county issued its RFP last month, with bids due February 15 and an award date set for July 1982. Other MSOs interested in the franchise are Storer, United Cable, TCI, Cablevision Systems and Continental Cablevision.

Jerrold restructured

HATBORO, PA—General Instrument Corporation is restructuring its cable television electronics business into two operating units, Jerrold Subscriber Systems and Jerrold Distribution Systems. Kenneth Coleman has been named vice president and assistant general manager at the Jerrold Distribution Systems Division. Timothy da Silva has been named vice president and general manager at the Jerrold Subscriber Systems Division. Jerrold expects to ship approximately 4.5 million cable TV subscriber terminals this year.

Cut-off extended

WASHINGTON—The Federal Communications Commission has extended the time frame for the implementation of the new tariffs proposed by RCA Americom for its communications satellite customers. The first tariff, one that would allocate transponders on a first-come, first-served basis, will now take effect March 3 instead of December 16. The second tariff, which would award transponders on an auction basis, has had its effective date extended to February 1 from January 15. Both tariffs are still subject to FCC approval. A source in the tariff division indicated that a commision decision will be made prior to the effective date.

DBS revealed

WASHINGTON—The National Association of Broadcasters has asked the Federal Communications Commission to conduct "a full inquiry" into the application filed by Satellite Television Corporation to construct a direct broadcast satellite system. In its petition, the NAB expressed concern that Comsat, STC's parent corporation, could cross-subsidize the DBS subsidiary with other funds. Comsat serves as the United States' representative to Intelsat, the independent international organization that owns and operates the global communications systems. In that capacity, Comsat is subject to regulated tariffs and, according to the NAB, "earns substantial sums." Comsat also serves as a representative to Inmarsat, the global maritime communications organization. In an earlier petition to deny the STC application that was approved nearly one year ago, the NAB alleged that approval "would result in an impermissible cross-subsidization of STC by the Intelsat/Inmarsat ratepayers."

Siegel leaves Chartwell

LOS ANGELES—Bill Siegel, president of E. Gerrold Perenchio's Chartwell Communications, Inc., is resigning effective next month, it was announced this week. In accepting Siegel's resignation, Perenchio said that "Chartwell's operation functions have greatly diminished" since the sale of its 49 percent interest in ON TV in Los Angeles to Oak Industries. Siegel was appointed chief executive officer of National Subscription Television/Los Angeles last year and was put in charge of both ON TV and KBSC, Channel 52, which operates commercially and also carries STV programming. Prior to the ON sale, Siegel became subject of a suit between Oak and Chartwell. Oak objected to Siegel being on the payroll at $400,000 per year without its approval. In its suit, filed in Los Angeles Superior Court, Oak said it refused to consent to the terms of the contract with Siegel but did not question his qualifications.

California DBS

SAN JOSE, CA—Satcom, Inc., has demonstrated its new, reportedly low-cost 12 GHz television receive only (TVRO) system designed for use in direct broadcast satellite service. The Satcom TVRO is billed as a completely integrated system consisting of a low-noise down-converter, an indoor tuner, and a four-foot diameter antenna. It will be used in industrial, educational, cable and home TV applications, said company President Dr. Bernard Jacobs. Prices will vary, with deliveries expected to begin early in 1982.

Health Network seeks advisor

NEW YORK—Representatives from the fields of medical science, research, government, education and industry will be called upon to participate in a national advisory group to the new Cable Health Network devised by *The Today Show*'s Dr. Art Ulene. The 36 members will include founding affiliates who have made "a significant commitment of carriage and given us an advantageous channel position," says CHN's Jeffrey Reiss.

Setting the record straight:
Spotlight partners' subscriber total is five million-plus, not 500,000.

Who's on first?
Visions Cable of Fort Lee, New Jersey, not Colony Communications of Beacon, New York, as previously reported was the first system to hook-up a PlayCable subscriber. Visions turned on its first subscriber November 16. Colony, which held the first PlayCable Playathon, hooked-up its first subscriber November 27.

In *CableVision*'s refranchising feature, 12/7/81, the first three questions in "The country's mayors report" were incorrectly aligned with responses. They are properly described in the text and should have read:

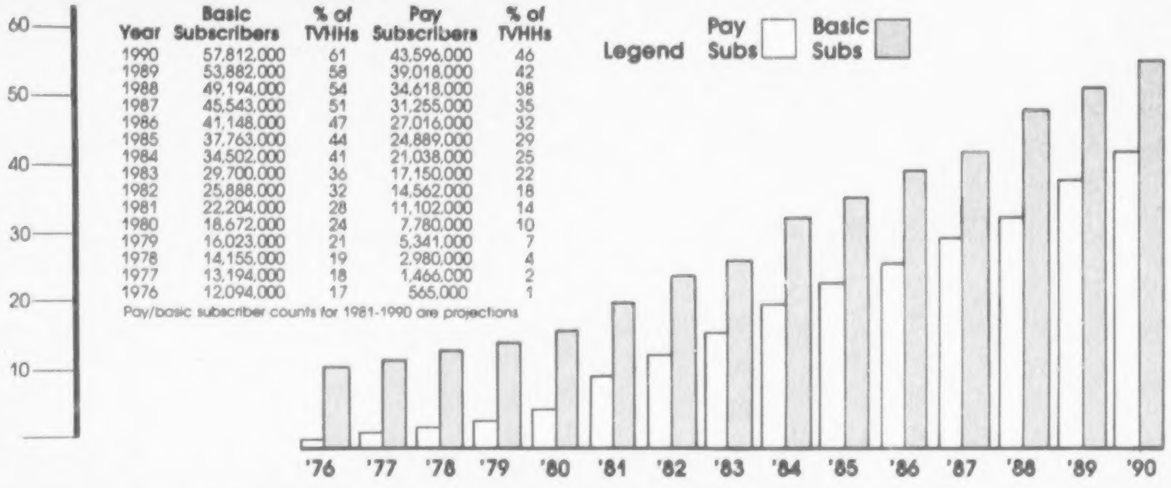
	under 12	**12-20**	**20-35**	**35-plus**	
Are you generally satisfied with the level of service your community receives?	50	75	87	81	yes
	50	25	13	19	no
Has your system ever expanded the number of channels being offered?	68	68	65	1	yes
	32	32	35	99	no
Has the subscriber charge ever gone up?	81	75	55	31	yes
	17	18	37	69	no
	2	7	8	0	no reply

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,204,000	28	11,102,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1981-1990 are projections



Cable services' subscriber counts

Basic Cable Services (television)*	Systems	Homes	% Change In Homes From 10/31
WTBS	3,704	17,545,000	+4.87
CBN	3,100	14,300,000	+3.62
ESPN	2,896	13,174,171	+3.66
C-SPAN	1,200	10,500,000	+5.00
CNN	1,771	9,510,000	+4.33
USA Network	1,650	9,250,000	+2.78
BET	784	8,753,200	+5.17
WGN	2,196	7,403,427	+3.62
Nickelodeon/ARTS	1,500	5,750,000	+2.68
WOR	1,123	4,450,761	+2.24
Modern Satellite Network	538	4,100,000	N.C.
PTL	417	4,100,000	+3.80
SPN (as of 11/15)	369	3,404,980	+2.33
CBS Cable	250	3,000,000	N.C.
SIN**	160	2,756,800	N.C.
AETN	285	2,681,478	N.C.
MTV	300	2,500,000	N.C.
National Jewish Television	68	1,614,325	+5.61
ACSN	213	1,474,242	+15.95
Christian Media Network	180	1,300,000	+30.00
Trinity	140	1,271,562	+N.C.
Episcopal Television Network	67	1,042,000	+N.C.
North American Newstime	115	830,000	+N.C.
Eternal Word Television Network	21	300,000	+4.93
National Christian Network	50	269,819	N.A.
Basic Cable Services (audio)*			
WFMT	94	615,862	+1.65
Lifestyle	30	300,000	N.C.
STV Service (television)*			
SelecTV Programming	9	225,000	+7.14
Pay Cable Services (television)*			
Home Box Office	3,200	8,000,000	+6.67
Showtime	1,300	2,800,000	+12.00
The Movie Channel	1,500	1,750,000	+6.06
Cinemax	400	700,000	N.C.
Escapade	87	180,000	+28.57
Home Theater Network	245	150,000	+5.63
Private Screenings***	11	127,000	+N.C.
GalaVision	105	92,000	+N.C.
Bravo****	25	45,000	-62.50

*Satellite-fed and regional services' subscriber counts are as of November 30 unless noted otherwise.

**Estimated Spanish speaking households; includes broadcast stations and translators. Total reach: 21,377,790.

***Includes STV outlets.

****As of this month, Bravo does not serve STV outlets.

N.A. designates not available.

N.C. designates no change.

Regional Pay Cable Services (television)*	Systems	Homes	% Change In Homes From 9/28
Action TV	N.A.	N.A.	N.A.
Atlantis Entertainment Network	6	6,250	+557.90
PRISM (New England Prime Cable)	12	N.A.	N.A.
PRISM (Philadelphia)	70	272,000	+10.93
Rendezvous (Gill Cable)	2	12,000	N.C.
SportsChannel (New York)	18	184,000	N.C.
SportsChannel (Chicago)	N.A.	N.A.	N.A.
Z Channel	10	109,000	+9.00
Regional Basic Cable Service (television)*			
Madison Square Garden Network	44	1,200,000	N.C.

Announced Satellite-Fed Cable Services	Projected Launch Date
Cable News Network II	1/1/82
Eros	1/1/82
Daytime	3/15/82
RCTV/The Entertainment Channel	first quarter 1982
Times Mirror Shopping Channel	first quarter 1982
The Health Channel	first quarter 1982
Satellite News Channels (channel one)	first quarter 1982
National Jazz Network (audio)	first quarter 1982
Home Theater Network Plus	3/1/82
The Nashville Network	second quarter 1982
Cable Newspaper Corporation	second quarter 1982
UTV Cable Network	second quarter 1982
Kidvid Network	second quarter 1982
ESPN/ABC pay sports service	second quarter 1982
The Weather Channel	second quarter 1982
Home Music Store (audio)	second quarter 1982
Cinemerica	mid-1982
Heartbeat Medic Network	third quarter 1982
Satellite News Channels (channel two)	fourth quarter 1982
SPN/international network	second quarter 1984
SPN/financial-religions network	second quarter 1984
SPN/classic movie service	second quarter 1984
SPN/how-to network	second quarter 1984
Las Vegas Entertainment Network	to be announced
The Buena Vista Channel	T.B.A.
Lewmark Productions' Music Channel	T.B.A.
Spanish Universal Network	T.B.A.
Window (independent producers network)	T.B.A.
Black Music Cable Network (Inner City/Unity)	T.B.A.
Video Concert Hall (relaunch)	T.B.A.
Penthouse Entertainment Network	T.B.A.
Times Mirror Shopping Channel	T.B.A.
The Nostalgia Network	T.B.A.

Top 25 MSOs

Rank	Multiple System Operator	Subscribers
1.	ATC	1,625,000
2.	Teleprompter/Westinghouse	1,533,322
3.	TCI	1,277,000
4.	Cox Cable Communications, Inc.	1,019,989
5.	Warner Amex Cable Communications, Inc.	850,000
6.	Storer Cable Communications	800,002
7.	Times Mirror	635,368
8.	Viacom Cablevision	535,000
9.	Newhouse Broadcasting (includes NewsChannels, MetroVision and Vision Cable)	528,981
10.	UA-Columbia	467,544
11.	Sammons Communications, Inc.	433,545
12.	United Cable Television Corporation	432,112
13.	Continental Cablevision, Inc.	410,000
14.	General Electric Cablevision Corporation	276,000
15.	Cablecom General/Capital Cities	268,577
16.	TeleCable Corporation	264,000
17.	Heritage Communications	220,000
18.	Liberty Communications	208,298
19.	Cablevision Systems Development (includes Cablevision of Chicago)	206,000
20.	Service Electric Cable TV, Inc.	189,500
21.	Comcast Corporation	186,392
22.	Wometco Communications, Inc.	180,000
23.	Midwest Video Corporation	174,349
24.	Century Communications	162,000
25.	TCA Group	155,000

Top 25 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	209,000
2.	Long Island, NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	124,300
4.	Manhattan, NY	Teleprompter	120,000
5.	West Orange, NJ	Suburban Cable	114,626
6.	Los Angeles, CA	Theta Cable/ Teleprompter	100,000
7.	Wayne, NJ	UA-Columbia	94,937
8.	Tulsa, OK	United Cable	91,113
9.	Erie County, NY	Prime Cable	90,961
10.	San Jose, CA	Gill Cable	86,000
11.	Central Islip, NY	Viacom	79,673
12.	Audubon, NJ	Audubon Electronics	79,125
13.	Orlando, FL	ATC	68,550
14.	Toledo, OH	Buckeye	66,907
15.	Wilmington, DE	Rollins Cable	65,600
16.	Austin, TX	ATC	65,295
17.	Grand Rapids, MI	General Electric	63,777
18.	Honolulu, HI	Oceanic Cable/ATC	59,400
19.	San Francisco, CA	Viacom	59,138
20.	Flint, MI	Comcast	57,255
21.	Allentown, PA	Twin County	57,000
22.	Santa Barbara, CA	Cox Cable	54,322
23.	Baton Rouge, LA	Daniels	52,000
24.	San Diego, CA	ATC	51,350
25.	Columbus, OH	Warner Amex Cable Communications	51,000

Franchising in the top 50

Rank	Market	Status of Core City
1.	New York	Manhattan-OP/four unwired boroughs-FP
2.	Los Angeles	City is divided into seven parts (1 OP/3 FG/3 FP)
3.	Chicago	BP
4.	Philadelphia	City is divided into four parts (1 OP/3 FP)
5.	San Francisco	OP (system to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas-Ft. Worth	FG-one for each city
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/	FP
14.	St. Louis	BP
15.	Seattle/Tacoma	City is divided into four parts (2 OP/1 FC/1 BP)/ Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/ St. Petersburg	BP/OP
19.	Baltimore	BP
20.	Denver	FP
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/ Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into two parts (1 OP/1 FG)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/ New Bedford	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FC
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/Battle Creek/Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/ Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	OP
43.	Charleston/ Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/ Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/ Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/ Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Legend:
OP—operational
FG—franchise granted
FP—franchise pending
BP—beginning process
LNA—little or no action

Based on chart from the National Cable Television Assocation report on cable franchising.

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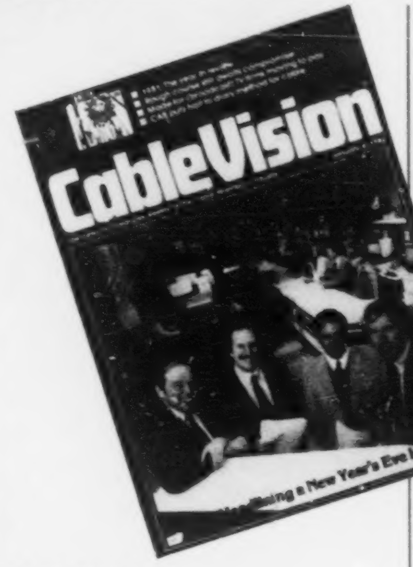


Fast break

The key words to Turner Broadcasting System's latest cable offering, CNN 2, clearly identify the format and the motives behind the service. The headline newscasts will run at 30-minute clips around the clock. CNN 2, which was announced only four months ago, prepares for a New Year's Eve launch. The story on this amazingly quick development starts in "Leading the week," on **page 13**.

Cover courtesy of TBS. Standing on the CNN 2 set are (left to right) Reese Schonfeld, president of CNN, Ted Kavanau, executive vice president of CNN 2, Nory LeBrun, vice president of TBS cable sales and marketing, and Terry McGuirk, vice president of TBS special projects.

Potential potholes

A rough road is still ahead for the embattled copyright compromise. It barely made its way past the House Subcommittee on Courts, Civil Liberties and the Administration of Justice, but there are a number of barriers which it must face before reaching the House floor. **Page 17**.

New exposure

Many films originally made and scheduled for broadcast television are finding their way over to the competitors, namely pay television. A number of such services are picking out a few of the made-for-TV formats for air play. The evident rumblings of a potential trend is being examined. **Page 20**.

Diary death?

The Cabletelevision Advertising Bureau/NCTA Research Standards Committee have conducted a study that involves the growing concern over the use of existing, traditional broadcast research which is currently being used to estimate cable viewing. As a result, the CAB has called for a halt in using the diary-keeping method. **Page 25**.

Strong investments

Donaldson Lufkin & Jenrette analysts suggest that interactive cable services, such as videotex and home security, along with pay programming operations, plan to have the strongest growth in the next two decades. **Page 34**.

Award in jeopardy?

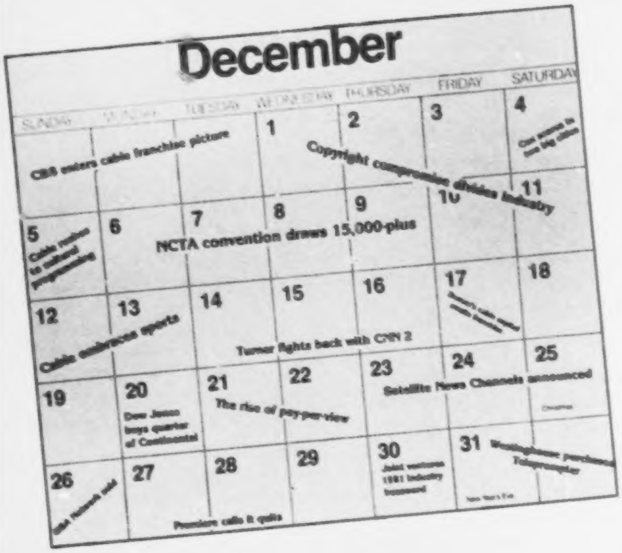
Controversy surrounds the Los Angeles South Central community in which city councilmembers have recommended that a minority- and locally-owned cable company be awarded the 210,000-home franchise. **Page 38**.

Directing a future

Direct broadcast satellite services have increasingly within the past year been hailed as the solution to expanding the telecommunications revolution to rural America, but they have been met with skepticism as well; some broadcasters call DBS an unnecessary waste of spectrum space. **Page 41**.

"The year in review"

Indeed, it appears that 1981 has been a watershed year, but then, in the cable industry, it would seem that each new year is a watershed year. The changes that are constantly occurring within the industry demonstrate the challenges that face all who are involved in it. The level of awareness of those who are outside the industry has no doubt increased to a great extent as a result of the press coverage and national attention the industry has drawn during 1981. In terms of breaking news, 1981 was a banner year. This week, *CableVision* writers take a nostalgic look back at the events that made 1981 an exciting year for the cable industry. 1981, however, may quickly be forgotten if 1982 is in any way as dramatic as its predecessor. Page 26.


December
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Copyright compromise divides industry
Cable turns to cultural programming
NCTA convention draws 15,000-plus
Cable embraces sports
Turner fights back with CNN 2
Satellite News Channels announced
Dow Jones buys quarter of Continental
The rise of pay-per-view
Joint ventures 1981 industry buzzword
Westinghouse purchases Teleprompter
Premiere calls it quits

Cable 1981: A taste of reality

Another year of dramatic changes gave signs that the shake-out is yet to come

Although the term "blue sky" is one that will not be excised from the cable glossary in the near term, perhaps 1981 was the first time in recent years that the impact of the promises began to be realized. Cable has often been referred to as a "recession-proof industry," but that did not mean that everything touched by cable in 1981 turned to gold.

In 1981, the harsh reality of contemporary economics set in: several major MSOs pulled out of large-market franchise battles because the cost of winning was simply too high; the shake-out of programming services began as the difference between announcing a service and getting it on the air was painfully realized by some; and the feasibility of many of the new technological innovations was questioned openly.

The cost of playing the cable game continued to escalate. The networks officially arrived in one form or another; major companies merged to establish even more powerful bases for operating costly franchising and programming businesses; and interest rates were far from manageable.

But despite the tinge of reality, cable continued to boom. The multitude of services and promises of enhanced services has captured the imagination of the general public to such a degree that more than 600 press representatives attended the NCTA's national convention—about 200 were expected. What has lured the general populace to cable are the differences from conventional television: diversity, innovative alternatives, and, of course, pay television.

The cable industry remained expansive, invigorating and even lucrative for some. But, 1981 proved that just joining the ranks of the cable industry was not an automatic promise of riches.

What follows is a look at the major events of 1981.

January

Converter controversy

The year began with a flap over addressable converters. Cox Cable surprised the manufacturing world by signing a major agreement with Oak Communications to provide converters for the company's New Orleans, San Diego and Omaha franchises. Cox originally had an agreement with TOCOM for converters, but cancelled the order.

Oak also inked a converter deal with American Television and Communication's Manhattan Cable system, as part of a $20 million expansion and upgrade plan. But this time it was Oak's turn for a disappointment. Manhattan Cable President John Gault later cancelled the order (as well as the planned upgrade), and issued the often-repeated judgement that there is no field-tested addressable 54-channel converter deliverable today in the cable industry.

The continuing skirmishes between RCA Americom and the Federal Communications Commission began in January. The FCC suspended RCA's two-for-one transponder allocation plan for Satcom IV, the first of several regulatory setbacks for the carrier. . .On the franchising front, the *Denver Post* (now owned by Times Mirror) broke a story concerning the FBI and a national investigation of franchise activity. Those reports later proved to be more sensational than factual. . .FCC Commissioner Tyrone Brown succumbed to the lure of private practice and resigned to join the Washington law firm of Steptoe and Johnson. . .The C-SPAN board approved a 24-hour programming game plan. . .TCI entered into two joint ventures with Taft Broadcasting: one for cable system ownership, the other for programming. Before the year ended, the MSO would agree in principle to a third joint venture, system ownership only, with Knight-Ridder newspapers. . .Universal became the first member of the Premiere consortium to return to the pay television market, signing a $3.5 million, 17-picture contract with The Movie Channel.

February

Friend or foe

Fresh from announcing ARTS in late 1980, ABC continued its charge into the cable programming arena by announcing the formation of Beta (later renamed Daytime), an advertiser-supported women's programming service. A joint venture between the network's Video Enterprises division and the Hearst Corporation, Beta was one of three major programming announcements made by the network.

February also witnessed the changing of the guard at the NCTA. Allen Gilliland replaced Doug Dittrick as chairman of the board.

A new organization became the

focal point for the push to bring advertisers into the cable fold—the Cabletelevision Advertising Bureau. Former Radio Advertising Bureau chief Robert Alter was picked as the first CAB president.

Apparently deciding that late is indeed better than never, the Public Broadcasting Service announced its effort to develop a cultural service for cable. The service was dubbed the Public Subscriber Network, now referred to as PBS Cable, and slated for entrance into the pay television fray in 1983.

On Wall Street, the battle for control of UA-Columbia began with Dow Jones and Knight-Ridder offering $72.50 per share. Before the tussling would end, two other companies (also working in partnership) would make a concentrated drive to snare the MSO.

Also in February, Charter Publishing formed a cable programming division called Charter Media...The Southern Cable Television Association changed the name of its convention from the Southern to the Eastern Show in order to expand its drawing ability...Dow Jones won the Princeton, New Jersey, franchise, intending to develop an advanced two-way interactive cable system...ATC was granted the 140,000-home Indianapolis franchise...Viacom signed one of the first franchise renewals of the year, extending its San Francisco franchise from 1985 to 2005. At the same time, the MSO promised to wire an additional 130,000 homes and increase channel capacity to 52 channels...Bristol-Myers finished the month by signing a ten-year, $40 million advertising contract with USA Network.

March

The players enter

March was a month dominated by big money. Newhouse Broadcasting, already the parent of MetroVision and NewChannels, added Vision Cable to its holdings, purchasing the MSO for between $175 and $180 million. While Newhouse was buying, Sammons was busy franchising. The Dallas-based MSO rebounded from last year's loss to Warner Amex in Dallas by winning the 160,000-home Fort Worth, Texas, franchise. Scripps-Howard, not yet seriously involved in cable, took its first steps by forming a cable division with Dick Loftus and its helm.

The Tribune Company decided that purchasing was much more certain than franchising. The parent company of the *Chicago Tribune* (and passive superstation WGN) bought Douglas Communications and renamed it Tribune Company Cable. Doug Dittrick was named president.

During the month, an established name in the television set manufacturing industry, became the latest entrant in cable technology. Zenith caused some questioning glances in boardrooms throughout the industry when it announced plans to introduce a new line of addressable equipment (Z-TAC converters) in the fall...In New York, Teleprompter shareholders went through the motions of approving a merger with Westinghouse...Wometco executives decided to take the cable company public... WASEC went before CTAM's first New York advertising conference to announce a 24-hour advertiser-supported video music service called MTV: Music Television. The service was scheduled to begin in August...In Washington, the Charles Ferris regime officially ended at the FCC as Mark Fowler was appointed by President Reagan to lead the commission into an era of "unregulation."

April

ARTS, appeals and AT&T

Five Republican senators, led by Commerce Committee Chairman Robert Packwood (R-OR), introduced a piece of telecommunications legislation that became known as S. 898. The bill would allow AT&T to enter the enhanced service marketplace through a separate subsidiary, but prohibit the giant corporation from offering cable television services.

April was also a month for massing transponders offered on new cable satellites. Westinghouse began building an arsenal of transponders by signing a deal with Western Union for ten slots on Westar IV and V.

Hearst/ABC decided on Satcom I, buying transponder time from Modern Satellite Network. Midway through the month, ARTS, ABC's first programming service for cable, initiated its service by piggybacking on Nickelodeon with 4.5 million subscribers, but no sponsors.

Times Mirror perpetuated the incestuous relationship between MSOs and programming services by offering its own pay channel, Spotlight, in T-M systems.

In Minnesota, St. Paul city officials rejected all pending franchise proposals, announcing that municipal ownership was the prudent course to follow. In nearby Minneapolis, the city's franchising crisis worsened. The state regulatory authority denied the cable ordinance awarding the franchise to Storer, putting cable on hold for at least another year. Farther east, Warner Amex and ATC settled a protracted legal suit over the Pittsburgh franchise that had been awarded to Warner Amex.

Times Mirror and Comp-U-Card launched The Shopping Channel in six systems as a test service. Initially, the companies hoped for an industry-wide launch in the first quarter of 1982, but further evaluation placed such development on hold...Ted Turner, TBS helmsman, steered away from a one million share public offering of stock because of loose talk on the *Phil Donahue Show*...UA Theater Circuits, UA-Columbia' largest single shareholder, made an attempt to hold off the Dow Jones/Knight-Ridder takeover attempt.

May

The road to L.A.

As the industry made its way toward the NCTA convention, Westinghouse spread the word that it would be a major player in the cable programming game by announcing the formation of Group W Satellite Communications.

Mark Fowler passed through the Senate confirmation mill without any difficulty. With the resignations of Charles Ferris and Tyrone Brown, along with the retirement of Robert Lee, President Reagan would be given the opportunity to replace three FCC commissioners in his first year of office.

With a little help from Canada's Telidon technology, AT&T elected to place its stamp on the videotex market by adopting a self-proclaimed North American standard (largely based on the Telidon model).

Hughes Communications emerged as a new entrant in the transponder game. The carrier set aside its Galaxy I satellite (scheduled for launch in May 1983) for cable programmers. Its new approach would be to sell transponders rather than lease them. Time Inc. was the first to jump aboard the Galaxy bird, announcing its intent before the month ended.

HBO and Tele-Communications, Inc., filed for a temporary restraining order to bar the state of Utah from enforcing an "indecency bill." The broad language of the legislation would prevent HBO (and all other pay television networks) from showing such award-winning films as *Kramer* *vs. Kramer*. The order was granted...

By the end of the month, the industry regulars and a host of newcomers convened in Los Angeles for the NCTA's 30th annual convention. More than 16,000 people wandered across the exhibit floor—an all-time record for a cable convention. Programmers specializing in R-rated fare seemed to dominate the show. On convention eve, *NBC Magazine with David Brinkley* angered industry executives with "Cable Connection," a segment on the rent-a-citizen tactics in cable franchising. The piece drew the ire of many for its one-sided presentation of the controversial policy.

June

From afar

The U.S. District Court of Appeals for the Second Circuit in New York put an end to the last major encumbrance created by the FCC in an earlier era: the court lifted the stay that had prevented cable systems from adding distant signals even though the FCC had rescinded the rules a year earlier. The court responded to a petition filed by the NCTA asking for an immediate dissolution of the stay that was originally imposed November 19, 1980. Executives from United Video, Eastern Microwave and Southern Satellite (representing superstations WGN, WOR and WTBS) were elated by the decision in their favor. They predicted an increase of as many as two million subscribers within a matter of months.

On Wall Street, the battle for control of UA-Columbia escalated from a schoolyard brawl to an armed confrontation. No one had given UA Theater Circuits much of a chance in preventing the Dow Jones/Knight-Ridder takeover of the ninth-ranked MSO until Canadian-based Rogers Cablesystems came along. CEO Ted Rogers, along with UATC, offered UA-Columbia stockholders $90 per share. Once the board of directors approved the sale, Rogers announced plans to merge UA-Columbia into the Rogers/UATC joint venture (now known as Rogers-UA Cablesystems, Inc.), with Rogers owning 51 percent of the new company, UATC holding the remainder.

Another Ted with fondness for headlines kept himself in the trade press in June. At month's end, believing that Group W's first satellite venture would be an all-news service, Ted Turner filed a petition with the FCC opposing the Westinghouse/Teleprompter Merger. In the petition, Turner charged that CNN would not get a fair deal in Teleprompter systems once Westinghouse went ahead with its plans. Despite Turner's petition and several others from public interest groups, the merger received initial FCC approval.

Major franchise awards—1981

City	Homes	Date	Company
Indianapolis, IN	140,000	February 1981	ATC
Fort Worth, TX	160,000	March 1981	Sammons
Miami, FL	120,000	June 1981	Americable...later joint venture between company and TCI
Vancouver, WA	60,000	June 1981	Cox
Northwest suburbs of Minneapolis, MN	80,000	June 1981	Storer Cable
Fairfield County, CT	120,000	July 1981	Cablevision Systems
Houston, TX	242,100	August 1981	Cablevision Systems
Springfield, MA	60,000	September 1981	Continental Cablevision
Tuscon, AZ	135,000	October 1981	Cox
Prince George's County, MD (two areas—100,000 homes each)	200,000	November 1981	Storer/MetroVision
New York* (four unwired boroughs)			
Bronx	490,000	November 1981	Cablevision Systems
Brooklyn	885,000	November 1981	Cablevision/WACC
Queens	720,000	November 1981	WACC/ATC/Inner City
Staten Island	106,000	November 1981	Cox/WACC/Vision Cable
Scottsdale, AZ	45,000	November 1981	United Cable
Skokie, IL	21,000	December 1981	Teleprompter

*Companies targeted for preliminary negotiations by the city.

The Tribune Company continued its acquisitions, this time buying a baseball team, the Chicago Cubs... Time Inc. announced that San Diego would be the test site for its satellite-fed, nationally distributed teletext service...Morality in Media began its anti-cableporn campaign with help from letters signed by former Dallas Cowboys quarterback Roger Staubach...Cable Newspaper Corporation announced plans to form a hybrid programming network using leased cable channels...Southern Pacific Communications said it would dedicate its new satellite, SpaceNet I (targeted for a 1984 launch) to cable programming.

July

Early lobbying success

In the last days before mark-up of S. 898, the cable lobbying forces of the NCTA managed to have several favorable cable provisions added to the common carrier bill. One of the provisions would have effectively deregulated the cable industry, allowing cable operators to set their own rates. Representatives of numerous municipalties, led by the National League of Cities, reacted angrily, fearing an erosion of powers traditionally held at the local level. They vowed to strip the provisions from the bill.

July was also a month of reactions. Daniel Ritchie, chairman of Westinghouse, was not impressed with Ted Turner's petition to prevent the Westinghouse/Teleprompter merger. He called it a "transparent, self-serving effort to forestall competition in the marketplace."

There was also reaction in Boston when former FCC Chairman Charles Ferris appeared before city officials on behalf of Charles Dolan. Ferris had been hired by the Cablevision Systems president, much to the chagrin of Warner Amex—some insiders said Warner Amex had previously approached Ferris for limited employment with the MSO. Dolan's hope of winning Boston was boosted by wiring the 120,000-home Fairfield, Connecticut, franchise, via a partnership with Scripps-Howard.

Miami city officials made a controversial decision when they awarded the city's franchise to locally-owned Americable, rated last by the city's consultants...The Canadians were jolted by H.R. 4225, a bill introduced in Congress that would limit ownership of U.S. cable operations by foreigners. Designed to slow some of the Canadian companies, the bill was sponsored quietly by several American MSOs, but eventually lost its momentum...ARTEC signed a six-year extension of its Arlington, Virginia, franchise, after a long battle over public access programming and equipment...In Hollywood, the Writers Guild headed for their typewriters again, settling the four-month strike.

August

The news explosion

This month's media marriage saw ABC Video Enterprises and Group W join together to form Satellite News Channels. Using the resources of both companies and a total of six transponders on Westar IV and V, Satellite News Channels would launch two services—one headlines, the other in-depth—next year. Ted Turner countered days later by announcing a headline venture of his own to complement the Cable News Network. The new service, dubbed CNN 2, scheduled a December 31, 1981, launch.

Programming details dominated the month as well. *Playboy* announced a 50/50 joint venture with Rainbow's Escapade service to gradually take over programming on the network. MTV launched its 24-hour a day video music service with the song, *Video Killed the Radio Star* and 2.5 million subscribers. Time Inc. purchased a share of USA Network for an estimated $15 million.

There was no tea party in Boston for Warner Amex in August. The MSO lost in a one-on-one franchising contest against Cablevision Systems. Charles Dolan's company was awarded the franchise in part because of its $2.00 charge for 52-channel basic service. Low-budget basic would also find its way into Denver and Milwakee franchise battles before the year was over.

Boston was also the site of a CTAM conference. Speaking to the industry's top executives, Harvard professor Daniel Bell sounded the theme of the meeting when he said, "If you don't know which way you are going, any road will take you there."

September

The $1.98 franchise show

For years, cable executives based in Denver have been sending their troops into foreign markets to do battle. This month, two companies joined together for the skirmishing over their home turf. United Cable and Mile Hi Cablevision (a partnership between ATC and Daniels & Associates) filed bids for the Denver franchise. New York-based Teleprompter also ventured into the lion's den with a promise of $1.98 basic service.

Continental Cablevision won the 60,000-home Springfield, Massachusetts, franchise, and six companies filed bids for Milwaukee's 250,000-home prize.

HBO and Showtime both raised their rates (TMC was soon to follow), while ESPN helped its cause by signing a ten-year, $22 million advertising deal with Timex...RCA Americom filed a transponder allocation plan that called for an auction to determine the customers on Satcom IV's remaining slots...ABC again shocked the industry by teaming up with ESPN to form a pay-per-view sports service, offering one event per month...The Leonard-Hearns boxing classic drew thousands of pay-per-view customers. Afterwards, experts predicted that pay-per-view revenues in this decade and the next would finally begin to offset expensive construction and programming costs.

October

One loss, one compromise

S. 898 went to the floor of the Senate with the cable amendments still attached. When it finally passed by an overwhleming vote, the cable amendments had dropped by the wayside. Senator Barry Goldwater (R-AZ) championed the cause of the municipalities and their representatives who demanded that hearings be held before any cable legislation is considered. Although the Senate voted in support of the merits of the cable provision, they also responded when Goldwater said it was "a matter of honor" that the provisions be stripped from the bill.

Later in the month, the cable industry heard the news that the National Cable Television Association lobbyists had forged a compromise on cable copyright with the Motion Picture Association of America and the National Association of Broadcasters. NCTA President Thomas Wheeler said that the compulsory license was in danger of elimination without the compromise and asked for industry support. Initial reaction was against the original compromise provisions, principally because it would reimpose syndicated exclusivity. Ted Turner and other superstation representatives vehemently opposed the plan.

Cable programming executives gathered in New Orleans for the first NCTA/CTAM Cable Software Symposium. Attendance hit close to 2,000 for the three-day meeting. From comments at the event, it was clear that the cable industry is a buyer's market in programming. Later, CTAM said its first venture into an all-software show would also be its last. NCTA will continue alone next September in Miami.

CBS joined with AT&T to plan a videotex programming test in 200 Ridgewood, New Jersey, homes. On the West Coast, CBS took advantage of an FCC waiver to file a proposal for the 31,000-home Alameda, California, franchise...Dow Jones purchased 24.5 percent of Continental Cablevision, allowing Continental to drop a planned public offering...Paramount and MCA joined Time Inc. as partners in USA Network, each owning a 33-percent interest in the newly expanded 24-hour service.

November

Copyright, auction action

The controversy over the tentative cable compromise continued with Tom Wheeler using ACSN as a closed-circuit vehicle to appeal to system owners to back the NCTA. Amendments to the plan were worked out to gain the support of Turner at the end of the month. Specifically, all superstation programming under contract at the time of any new legislation would be exempt from syndicated exclusivity.

RCA Americom launched Satcom III-R successfully this month and held an auction for seven transponders on Satcom IV, scheduled for a January launch. A group of 53 interested bidders gathered at Sotheby Parke Bernet in New York. Although RCA was proceeding without FCC validation, the carrier picked up $90.1 million in lease commitments for the slots. Veterans like WASEC and Time Inc. managed to pick up one each, but so did several newcomers: UTV Cable Network, Inner City Broadcasting, Transponder Leasing Company and religious entrepreneur Billy Batts.

Inner City Broadcasting and its president, former Manhattan Borough President Percy Sutton, won the Cable Working Group's recommendation that the company should negotiate with New York's Board of Estimate for a piece of the Queens franchise. Warner Amex was recommended for slices of three boroughs. Teleprompter was recommended for part of Brooklyn, but not Queens. One month later, TPT would take itself out of the running for both unwired boroughs.

Hughes Communications announced news of an earth station breakthrough—a dual-beam feed antenna able to pick up feeds from two satellites at once. . . Viacom hooked up with Dr. Art Ulene and former Showtime President Jeffery Reiss for the Cable Health Network, a 24-hour health channel, aiming for a spring 1982 launch. . . Walt Disney Productions and Group W Satellite Communications joined to form The Disney Channel, a 16-hour daily pay service to air in 1983 . . . Showtime hit the 2.5 million subscriber milestone . . . QUBE in Columbus surpassed 50,000 subs. . . United Cable won the 45,000-home franchise in Scottsdale, Arizona . . . The County Commission in Prince George's County, Maryland, went against the recommendation of the Cable Commission and CTIC to award the northern half of the county to Storer and the southern half to MetroVision. Both companies had substantial support from prominent local citizens . . .

December

Western wares, transponder troubles

More than 11,000 people capped off the cable year by attending the Western Show in Anaheim. During the convention, Times Mirror said it would take Spotlight nationwide, thanks to a hasty alliance of co-partners—TCI, Cox, Storer and Cablevision Systems. Storer also made the first affiliate move in UTV's direction and Black Entertainment Television announced it was headed for prime time in May via Satcom IV.

Substantial doubt and debate clouded the aftermath of the RCA auction. Eighteen companies filed petitions with the FCC challenging the auction as reports alleged that RCA did not adequately determine the financial capability of two auction winners: Transponder Leasing and Billy Batts.

Rumors were flying during the month that all three commercial networks had acquired transponders for cable services from Hughes Communications. The Spanish International Network criticized Hughes loud and long, claiming that the carrier reneged on an agreement in principle for the last two full-time transponders on Galaxy I. SIN filed a formal complaint with the FCC, alleging that Hughes decided to accept an offer from ABC.

The copyright compromise narrowly passed a mark-up session by a House subcommittee. A transition period of from six months to two years was added to the bill to silence some critics as well as a partial elimination of the must-carry rules.

TCI ended the year as it began, by announcing a joint venture. Knight-Ridder agreed in principle with the company to form TKR, a new MSO determined to acquire 500,000 subscribers in the next five years . . . Tim Wirth introduced legislation rewriting the common carrier portions of the Communications Act of 1934 . . . Washington Capital Centre owner Abe Pollin announced that he would apply for the Montgomery County, Maryland, franchise along with a Canadian MSO . . . AT&T formed its Baby Bell subsidiary to enter the enhanced services marketplace . . .

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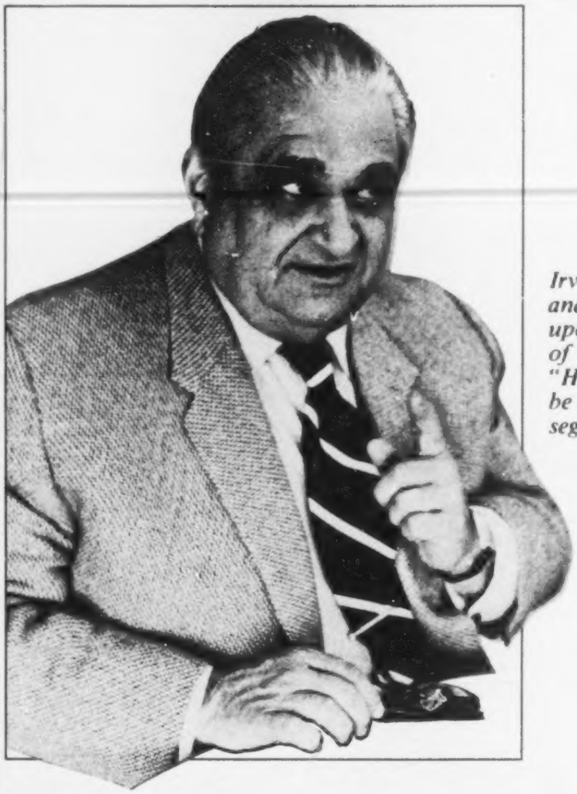

Irving Kahn warned analysts about their impact upon the long-term effects of the cable industry. "High technology cannot be monitored in 13-week segments," he said.

Investing in the future

Donaldson, Lufkin & Jenrette analysts see videotex and cable TV programming as profitable investments

NEW YORK—Interactive cable services, such as videotex and home security, as well as pay programming, are being touted by Donaldson, Lufkin & Jenrette (DLJ) analysts as strong investment prospects during the next two decades.

DLJ Vice President Mark Hassenberg told over 100 analysts and investors at the company's recent communications investment seminar at New York's University Club, "the 1980s will be remembered as a time when great changes in communications will occur as television makes the transition from a passive device to a terminal with many uses."

Leading the way in this communications revolution, in the assessment of Hassenberg and the other speakers, are companies such as Warner Communications, Cox Broadcasting, ABC and Time Inc.

These companies, according to the analysts, have positioned themselves well in the cable industry and offer solid investment possibilities in the interactive and programming side of the business.

Only companies similarly positioned, the analysts warned, will survive in the coming years. While the communications industry offers much growth and profit potential, the industry is in a period of turmoil and a "shake-out" of companies will occur by mid-decade, according to DLJ analysts.

"There are a number of poor players," said DLJ Vice President Dennis Leibowitz. "The timing isn't right for all of them."

This situation exists for both the pay and ad-supported networks in the programming side of the industry, Leibowitz said. While the pay networks are the fastest growing and the most appealing, the market does not have room to absorb the dozens of premium services that have been proposed. "Their overall growth is very exciting," Leibowitz noted, "but only the strongest players can survive."

He cited such companies as ABC, which has put itself in a good position by joint venturing all of its deals, and Cox and Warner as aggressively innovative organizations that are involved in a number of different areas.

Electronic publishing is another cause for analyst enthusiam. DLJ analyst Mary Bosco believes that "there is a lot of opportunity for growth since no one company can handle the videotex technology all by itself."

Among the companies that offer investment potential, according to Bosco, Time Inc. is leading the way. "It appears to be the company most likely to succeed," she said, "because it has well positioned itself as both a national program and information supplier." Bosco also mentioned Dow Jones and AT&T as other companies in the

United States videotex activity

Organization	Estimated Number of Users	Location	Start-Up Dates	Status
Videotex Tests				
AT&T/CBS	200	Ridgewood, NJ	Late 1982	Proposed test
AT&T/Knight-Ridder	204	Coral Gables, Fl.	1980	Complete test
	5,000	South Florida	1983	Planned commercial trial
Dept. of Agriculture	200	Kentucky	1980	Government project
First Bank System	250	Minneapolis, MN	1982	Planned trial
OCLC	200	Columbus, OH	Late 1980	3-month test
Times Mirror	350	Los Angeles, CA	Early 1982	Commercial test
Warner Amex	100	Columbus, OH	1981	Commercial test
Commercial Services				
Advertiser-Tribune	Under 100	Tiffin, OH	1981	Commercial service
A.H. Belo	100	Dallas, TX	1981	Commercial service
Cox Cable	10,000+	Omaha, NE	1981	Commercial service
Dow Jones	29,000	National	1977	Commercial service
H&R Block/Compuserve	15,000	National	1980	Commercial service
Reader's Digest/The Source	12,000	National	1979	Commercial service

Source: Donaldson, Lufkin & Jenrette

forefront of the videotex movement.

"There is big money to be made," Bosco said flatly. Even so, she noted some stumbling blocks in electronic publishing's path. "We know what electronic publishing can do, but we don't know what the consumer wants or is willing to pay for."

Determining those consumer needs, says Bosco, will be the key to the success of videotex. "The technology is ready to do amazing things, but we still need some 'breakthroughs' in marketing the product," she said.

The growth of information services, Hassenberg mentioned, will offer many new opportunities for investment since the new technologies will allow for further expansion and formation of companies which will supply needed products.

The fate of these newcomers and even of the existing technology companies, analysts agreed, will depend largely on their own behavior. Luncheon keynote speaker Irving Kahn, president of Broadband Communications, Inc., warned the analysts that their attitude could have a critical impact upon the success of these companies and upon the future of the cable industry as a whole.

"High technology cannot be monitored in 13-week segments," Kahn declared. "Companies involved with emerging technologies have a double cross to bear. Not only do they have to compete in the technological sweepstakes with competitors at home and abroad, but also, thanks to the traditions Wall Street has fostered, they are called on the carpet four times a year to account for themselves as well. Companies are now more concerned with their short-term earnings, with making the next 13 weeks better than the last, than they are with taking a long-term view of their products or services or management, and therein lies potential disaster."

New technology companies, Kahn stated, cannot perform well by "short-term thinking," since "there is little or no track record to fall back on." Communications entrepreneurs, he said, must have the freedom to experiment, test and follow scientific hunches "without the nagging pressure to conform to Wall Street's idea of what constitutes progress."

—Karen Bloom

Estimates of the videotext market in 1990

Organization	Number of Videotex Subs	Market Size	Monthly Consumer Expenditure
AT&T	8 million	$6-$10 billion	$50-$75
Communications Studies/ Planning International, Inc.	—	—	$20
Institute for the Future	11 million +	$3.7 billion	$35
International Resource Development, Inc.	—	$9 billion +	$78
Strategic, Inc.	4-12 million	$1.5-$5 billion	$30-$36
Southam, Inc.	20-25 million	—	—

Source: Donaldson, Lufkin & Jenrette

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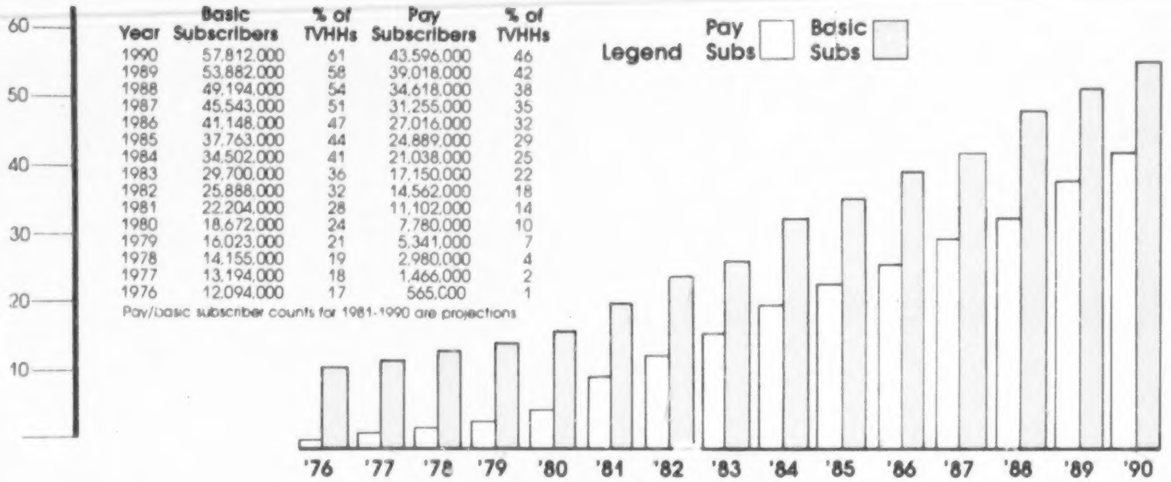
Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,204,000	28	11,102,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1981-1990 are projections



Film product comparison

Film	Networks					Distributor
A Dream of Passion					C	Avco Embassy
All That Jazz	HBO*	(ST)	(TMC)			20th Century-Fox
Altered States			TMC			Warner Bros.
The Amazing Adventures of Joe 90		ST				ITC
American Gigolo		ST	(TMC)			Paramount
Any Number Can Play		ST				MGM
Apocalypse Now	(HBO)	ST				United Artists (UA)
The Apple			TMC			Swank
Ask Any Girl		(ST)			C*	MGM
Back Roads	HBO	ST	TMC			CBS
Bananas					C	UA
Barnaby and Me		ST				Simcom
Battle of Algiers					C	World Northal
Becket	HBO	(ST)				Video Comm
Bells Are Ringing		ST*				MGM
Being There	(HBO)	ST*	(TMC)	(HTN)		Lorimar
The Big Red One				HTN*	(C)	Lorimar
The Blackboard Jungle		ST				MGM
Blood Barrier	HBO					Hemdale
Blood and Guts		ST*				Viacom
Bon Voyage, Charlie Brown	HBO*	(ST)	(TMC)	HTN*		Paramount
Boys' Night Out		ST				MGM
Breaker Morant	HBO	ST	TMC			New World
Breaking Glass	HBO*					Paramount
Bronco Billy	(HBO)	(ST)	TMC*	(HTN)		Warner Bros.
Caddyshack	(HBO)	ST*	TMC*			Warner Bros.
California Dreaming	HBO					Filmways
Carny		ST	TMC*			Lorimar
Cat and the Canary					C	Universal
Catherine and Company		(ST)			C*	Film Gallery
Cheech and Chong's Next Movie	HBO					Universal
The Children		ST				World Northal
The China Syndrome	HBO*	(ST)				Columbia
Christmas Mountain		ST*				CMA
The Club			TMC*			Cinaco
Coal Miner's Daughter	HBO*	ST*	TMC*	HTN*		Universal
Day for Night					C	Warner Bros.
Days of Fury					C	Picturemedia
Death Car on the Freeway					C	HBO
Die Laughing					C*	Warner Bros.
Doctor Zhivago	HBO		(TMC)			MGM
Dona Flor and Her Two Husbands		ST	(TMC)			Columbia
The Dot and the Kangaroo			(TMC)		C*	Satori
Double Trouble		ST			C	MGM
Duncan's World					C	Best Film and Video
The Electric Horseman	(HBO)	ST*	(TMC)			Columbia
The Elephant Man	HBO	ST	TMC	HTN		Paramount

Film	Networks					Distributor
Escape from Alcatraz			(TMC)	HTN*		Paramount
Fatso	(HBO)	ST				20th Century-Fox
Fear No Evil		ST*				Avco Embassy
The Fiendish Plot of Dr Fu Manchu		(ST)	TMC	(HTN)		Warner Bros.
The First Family			TMC			Warner Bros.
The Formula	HBO*	ST*	(TMC)			MGM
The Fox					C*	Warner Bros.
Freaky Friday	(HBO)	ST	(RMC)	(HTN)		Disney/Buena Vista
Friday the 13th	HBO	(ST)	(TMC)		(C)	Paramount
The Frisco Kid					C	Warner Bros.
From the Life of the Marionettes	HBO*					ITC
The Hard Way					C*	ITC
The Harrad Experiment			TMC			IFE
Happy Birthday, Gemini					C	UA
Hawk the Slayer		ST			C*	ITC
Heartbeat					C*	Warner Bros.
The Hollywood Knights		ST				Columbia
Home Movies			TMC			SMA Entertainment
Hotel Paradiso					C*	MGM
The House of the Seven Hawks					C	MGM
The Howling			TMC			Wescom
Huckleberry Finn					C*	UA
Improper Channels	HBO		TMC			Crown International
The Incredible Shrinking Woman	HBO		TMC			Universal
Inside Moves	HBO*		(TMC)			AFD
The Island		ST	TMC			Universal
The Jazz Singer	HBO					EMI/AFD
Journey Back to Oz		ST				Columbia
King Solomon's Mines		ST			(C)	MGM
Klondike Fever					C	HBO
Kramer vs. Kramer	(HBO)	ST*	(TMC)	(HTN)		Columbia
The Lady Vanishes				HTN	C*	Rank
Last Tango in Paris		(ST)			C*	UA
The Last Time I Saw Paris		ST				MGM
Leo and Loree				HTN		UA
Libel		ST			C	MGM
The Lion in Winter					C*	Avco Embassy
Little Darlings	(HBO)	(ST)	TMC			Paramount
Little Miss Marker	HBO*	ST*		(HTN)		Universal
Loophole					C	Telepictures
Love and Death			(TMC)		C*	UA
Lt. Robin Crusoe U.S.N.				HTN		Disney/Buena Vista
Melvin and Howard			TMC		C	Universal
The Miracle Worker	HBO					HBO
My Bodyguard	HBO	ST*	(TMC)	(HTN)	(C)	20th Century-Fox
Newsfront					C*	New South Wales Film

Cable stats

Film	Networks					Distributor
Night of the Juggler	HBO					GGC
The Night Porter					C	Joseph E. Levine
Nine to Five	HBO	ST	TMC	HTN		20th Century-Fox
No Nukes			(TMC)		C*	MUSE Inc.
The Nude Bomb	HBO*			(HTN)		Universal
Nutcracker Fantasy		ST*				Sanrio
The Octagon	HBO*					ACR
One Trick Pony			TMC			Warner Bros.
The Outsider	HBO*					Paramount
Papillon	HBO					Lorimar
The Parallax View	(HBO)		TMC			Paramount
Penelope		ST*				MGM
Performance					C	Warner Bros.
Pete's Dragon	(HBO)		TMC			Disney/Buena Vista
Phobia	HBO					Paramount
The Pinchliffe Grand Prix	HBO		(TMC)			GGC
Popeye	HBO					Paramount
Portnoy's Complaint					C	Warner Bros.
Quentin Durward					C	MGM
Quo Vadis		ST*			(C)	MGM
Rascal Dazzle		(ST)			C*	Castle Hill
Resurrection	HBO	ST*		(HTN)	(C)	Universal
The Return	HBO					O.F.M. Ltd.
Rio Bravo			TMC			Warner Bros.
Road Games			(TMC)		C	Avco Embassy
Rough Cut	(HBO)	(ST)		HTN*		Paramount
Salem's Lot: The Movie			TMC			Warner Bros.
Scanners	HBO					Avco Embassy
Scarface					C	Universal
The Shining		ST*	TMC*			Warner Bros.
Sidney Sheldon's Bloodline	HBO					Paramount
Silent Scream	(HBO)				C*	Telepictures
Simon		(ST)	TMC			Warner Bros.
The Sleeping Car Murder					C*	Warner Bros.
Snowball Express	HBO*		TMC*			Disney/Buena Vista
Sphinx			TMC			Warner Bros.
The Spiral Staircase					C*	Warner Bros.
Stay Hungry			TMC			UA
Star Trek: The Motion Picture		(ST)	(TMC)	HTN*		Paramount
Steel				(HTN)	C*	World National
Street Gangs of Hong Kong			TMC			World Northal
The Stud		ST				Brent Walker
Sunday in New York		ST				MGM
Superdome			(TMC)		C	HBO
Survival Run		(ST)			C	Film Ventures
Sweet Sugar		ST				Swank
Those Lips, Those Eyes					C*	UA
Thunderbirds to the Rescue		(ST)			C	ITC
Trilogy		ST*				Viacom
Up River			TMC		(C)	Gold Key
Up the Academy		(ST)	TMC			Warner Bros.
Urban Cowboy	(HBO)		TMC*	HTN*		Paramount
Why Would I Lie?		ST*		(HTN)		MGM
Wise Blood		(ST)	TMC		(C)	New Line Cinema
The World's Greatest Athlete	HBO			HTN		Disney/Buena Vista
The Working Girls		ST*				Swank
Xanadu	HBO*		(TMC)	(HTN)		Universal
Zero to Sixty		ST*	TMC*		(C)	Samuel Goldwyn Co.
Zulu Dawn	HBO					Zulu Dawn Co.

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network
C—Cinemax

■ Networks in parentheses indicate carriage in August, September, October, November and/or December.

■ An asterisk following a network indicates the film is a carry-over from August, September, October, November and/or December.

■ In total, 152 films appear on the January schedules of HBO, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles during the last six months (August-December 1981, January 1982), one title ("My Bodyguard"), has appeared on all five networks, ten titles have appeard on four networks, 15 on three, and 45 on two networks. Eighty-one films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is Warner Brothers with 22, followed by MGM with 18, and Paramount with 15.

■ "Nine to Five" kicks off the 1982 program guide cover for HBO, The Movie Channel, Showtime (sharing with the theatrical production "Perfectly Frank") and Cinemax. Also featured on the Cinemax guide: "Melvin and Howard," "The Jazz Singer," and the Wilfred Benitez-Roberto Duran championship fight. Meanwhile, Robin Williams flexes his muscles as Popeye on Home Theater Network's bi-monthly guide cover (January-February).

National cable advertising

This chart lists national advertising sales by the basic cable networks during November.

Network/client	Status
AETN	
Dow Jones	New client
Laser Products	New client*
Newsweek	New client
Time-Life	New client
ARTS	
Polaroid	New client
BET	
General Foods	Renewal
Phillips Petroleum	Renewal
CBS Cable	
Kellogg's	Renewal
CNN	
D-Con	Renewal
ESPN	Renewal
General Motors (Oldsmobile)	Renewal
J.C. Penney	Renewal
National Consumer Electronics Showcase	New client*
Reynolds Metals	Renewal
Shell Oil	Renewal
20th Century-Fox	Renewal
Warner Communications (Atari)	New Client
Woolworth's	New client
ESPN	
American Express	Renewal
Arbor House	Renewal
Athletic Investment	New client*
Bendix (Fram Oil Filters)	Renewal
Bruno Dean	Renewal
Brunswick	New client
Converse (Ettra)	New client
Eastman Kodak	Renewal
Hockey News	New client*
IBM	Renewal
Mercedes-Benz	Renewal
Mitsubishi	Renewal
Paramount Pictures	Renewal
Pepsico	New client
Phillips Petroleum	New client
Plough (Schering-Plough)	New client
Ralph Esposito Enterprises	New client*
Renfield Importers	Renewal
Richland Shoe	New client*
Schrade	New client*
Sperry	Renewal
STP (Esmark)	Renewal
20th Century-Fox	Renewal
U.S. News & World Report	Renewal
Volvo	Renewal
Warner Amex	Renewal
MSN	
Hallmark	Renewal
Kraft	Renewal
Mattel	New client
Uncle Ben's Rice	New client*
SIN	
Lever Brothers	New client
SPN	
Home Box Office	Renewal
Zales	New client
USA Network	
Clinique	Renewal
General Foods	Renewal
Hallmark Cards	New client
Inglenook Wines	New client
Kellogg's	New client
Mattel	New client
Miles Labs	New client
Warner Communications (Movies/Atari)	Renewal
WTBS	
ESPN	Renewal
Jordache	New client*
Shulton	New client
Stride-Rite	Renewal

SPN update

Because of deadlines, a number of new clients and renewals for SPN were not listed in the 1981 advertiser lineup in our Western Show issue (12/7/81).

New clients
Amtrak
Brunswick
Cusinart*
Colonial Penn Insurance
Continental American Life*
CIE Tours*
Corning Glass
Cosmair
DuPont
Faberge
Foster Grant
Guiness Brewers*
International Diamonds*
Integrated Resources*
Murjani
Mannington Mills
Nautilus Equipment*
Nestle
Peter Paul Candies (Cadbury-Schweppes)
Pepsico
Pro Magazine
Sports Shack
Sporting News
Stardust Hotel/Las Vegas*
Union Carbide
Warner-Lambert
Wella

Renewals
Essence Magazine
J.C. Penney
Schwinn
Working Woman Magazine

• In the Western Show issue "Cable stats" section, Casablanca Records, Chanel and Proctor & Gamble were listed as advertisers on MTV: Music Television. All three companies have not yet committed to sponsorship on the service. In addition, Mountain Dew was inadvertently listed as a brand of Pepsico. The soft drink is a product of the Seven Up division of Phillip Morris Corporation. CableVision regrets the error.

*New to network advertising.

C 8920 - 202

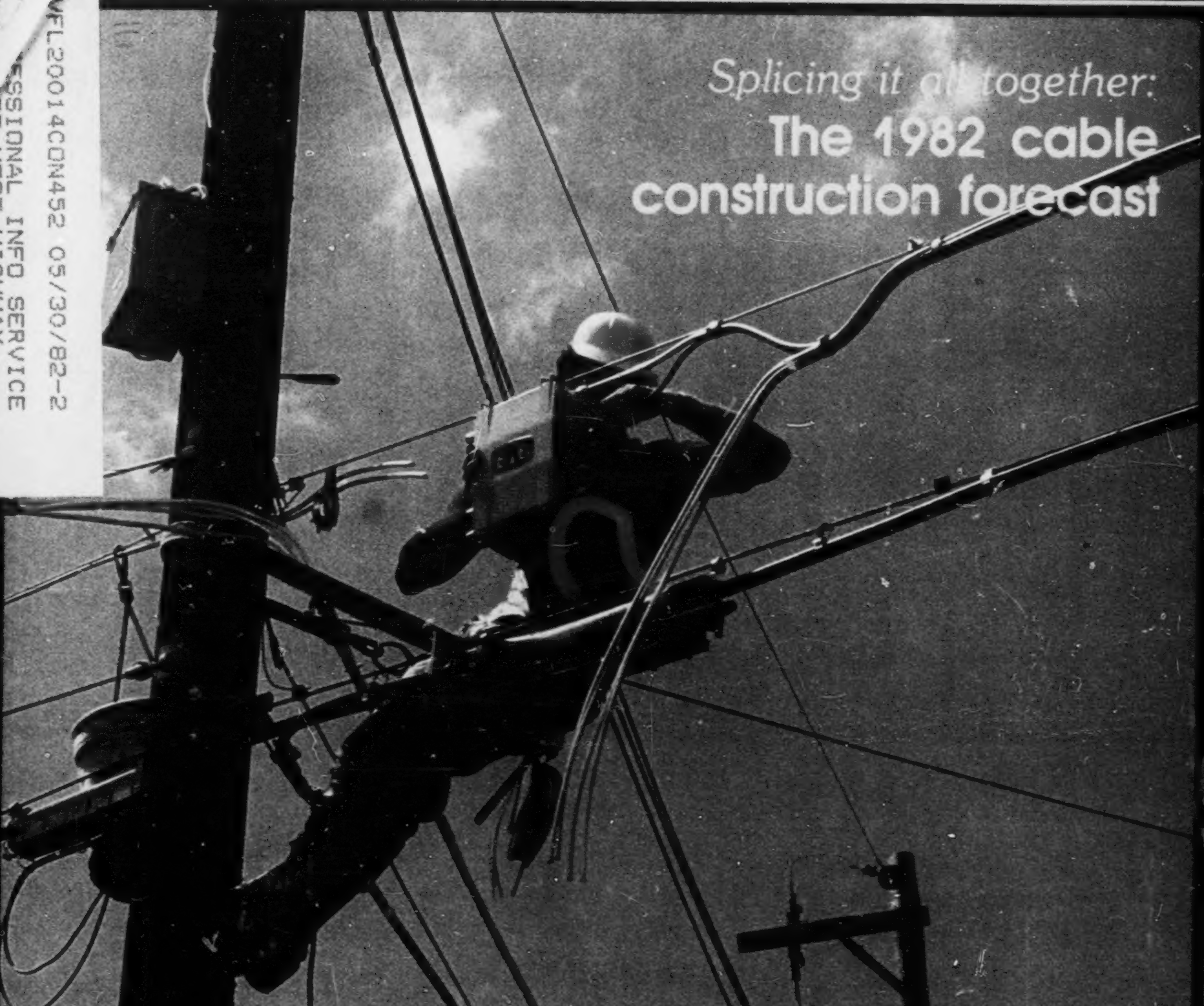
- Major progr
- Teleprompte
- CNN awaits outcome of network pool lawsuit
- Nielsen/Arbitron release year-end subcounts

CableVision

s and features weekly of the cable television industry

January 11, 1982

VFL20014CON452 05/30/82-2
ESSIONAL INFO SERVICE
ST-WEST HIGHWAY
N DC 20014



Splicing it all together:

The 1982 cable construction forecast

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CableVision
Volume 7, Number 18. January 11, 1982

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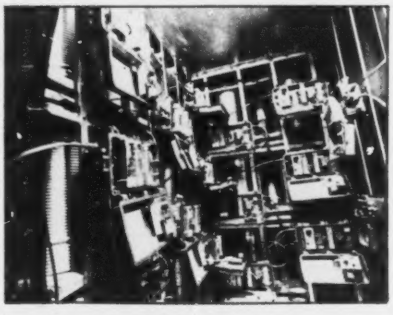
Major program services begin Satcom switch
Teleprompter prepares pay-per-view experiment
CNN awaits outcome of network pool lawsuit
Nielsen/Arbitron release year-end subcounts
CableVision

Building up

Forecasts from industry operators and manufacturers peg 1982 as another big year for cable construction, although perhaps not as healthy as the year past. However, the construction industry has little to fear in terms of lack of work, as many of the large franchises granted in 1981 begin the lengthy process of wiring, and smaller systems prepare for the rebuild era. *CableVision*'s seventh annual forecast of total construction expenditures begins on **page 46**. Cover photo courtesy of Jackson Enterprises.



Time to switch

With Satcom III-R's successful launch two months ago, last week saw the transfer from Satcom I to the new bird for all those program services presently on Satcom I, plus a few new ones. **Page 15**.

Making pay pay

Teleprompter has signed a deal with MCA/Universal to provide a movie package of major titles for a pay-per-view experiment in its Middletown, Connecticut, cable system. **Page 16**.

Reaching settlement

Cable News Network is said to be very close to settling its lawsuit out-of-court over access to pooled network coverage method. **Page 18**.

Over the top

Warburg Paribas Becker releases its latest report on the cable industry. The prediction: cable penetration will reach 31 percent in 1982. **Page 22**.

Time to get in

Realizing that the time is now, the *Washington Post* has announced its plans to provide local news, information and advertising to cable systems using leased channels. The first experiment will take place on a local level. **Page 24**.

The Daytime woman

Hearst/ABC's joint programming venture, Daytime, scheduled for a March 1982 launch, is beginning to learn just exactly what kind of woman will watch the service. An audience research survey calls the Daytime viewer and female cable subscriber "a quality consumer." **Page 30**.

The results are in

Final reports from Arbitron and Nielsen place basic cable's penetration rate at over 20 million households. Individually, Nielsen hits 23 million and Arbitron takes a surprise leap. **Page 38**.

New territory

Denver-based Daniels & Associates ventures into limited partnerships, maintains its number one position as cable's investment banker and moves into plush new headquarters. **Page 77**.

Please, no secrets

American Telephone and Telegraph has lost its bid to keep some of its separate subsidiary information confidential. The request has been denied by the FCC, which involves material pertaining to AT&T's capitalization plan for "Baby Bell." **Page 107**.

Closing the year

A.C. Nielsen and Arbitron issue their final cable counts for 1981

NEW YORK The giants of the media measurement trade, Arbitron and A.C. Nielsen, released their final basic cable penetration counts of the year last week. As they stand, the findings place the wired universe above 20 million homes Arbitron's by a few hundred thousand, Nielsen's by a few million.

Throughout the year, Nielsen posted the higher cable counts of the two, a trend that didn't stop with its November 1981 tally of 23,219,200 households, 28.3 percent of the nation's television homes. Nielsen's figure is more than one million homes and one full percentage point above July 1981's total of 21.9 million (27.3 percent). But it was Arbitron that managed to surprise the industry this time around, by going over the 20 million homes mark for the first time. Just five months before, its figures stood at 17.6 million. The research firm's November count surged to 20,307,829 cable households (25 percent), nearly three million homes and three percent above its July report.

With its latest figures, Arbitron managed to trim down the controversial basic homes penetration gap between its organization and Nielsen (CV, 8/3/81, p. 24). Earlier this year, approximately four million homes separated the reports. Arbitron's November jump cuts the gap to just under three million households. In another way, Arbitron and Nielsen managed to stay even with each other. For the ten-month period covered by the 1981 counts (February through November), Arbitron recorded a total homes gain of 3,315,029 households, with Nielsen showing a 3,491,910 cable household increase. The percentage rate increase for the period is three percent on both surveys.

From July to November 1981, Nielsen recorded a gain of 1.28 million cable households, approximately 322,000 homes added per month. Arbitron's number is more dramatic: 2.7 million homes, or approximately 675,000 homes added per month.

Asked about the sudden homes increase, Arbitron Marketing Vice President Pete Megroz attributed the jump to a combination of natural subscriber growth and more accurate data from operators. "We're trying to encourage individual operators and MSOs to provide more accurate subscriber information. It looks like the drive is starting to pay off. The numbers this time around look more reliable to the industry.

"There's no one reason why the numbers went up dramatically," he asserted. "It's like calling up a person to say that the rating book is in, the news on their station jumped up four share points, and the guy says I'm a genius. That's how the facts and figures come in."

Nielsen's cable penetration count of the top 30 television markets came out higher than Arbitron's figures in all but three markets (see accompanying chart). In Chicago and St. Louis, Arbitron posted higher homes and percentage tallies, while in Denver, both services came up with the same percentage rate (11.5), Arbitron coming up with slightly more cable homes. Of the top 30 markets, San Diego led both charts in cable penetration, 50.5 percent penetration on Arbitron's survey, 55.1 percent on Nielsen's. Lowest penetrated cities among the top 30: Chicago, Detroit, Baltimore and St. Louis. Of all markets surveyed, Las Vegas continued its status as the lowest penetrated area in the nation, with a 1.3 percent penetration estimate from Arbitron to Nielsen's 3.9 percent.

For some time, industry analysts have been boasting about cable's ability to crack the 30 percent penetration barrier by next spring. With the latest reports, those projections are firmly on target to be realized. Along

(Continued on page 43.)

1981 Basic Cable Penetration Counts

	Arbitron Households	TV Household Percentage	Nielsen Households	TV Household Percentage
February 1981	16,992,800	22	19,727,290	25.3
May 1981	17,376,700	22	21,260,000	26.5
July 1981	17,607,000	22	21,930,490	27.3
November 1981	20,307,829	25	23,219,200	28.3

Cable Penetration Top 30 Markets/November 1981

City	Arbitron Households	%	Nielsen Households	%
New York	1,302,676	20.3	1,563,030	24.4
Los Angeles	583,559	14.1	826,580	19.6
Chicago	168,692	5.7	152,130	5.2
Philadelphia	596,172	25.0	690,120	28.7
San Francisco	678,267	34.6	779,080	39.9
Boston	323,068	17.2	342,840	17.9
Detroit	98,591	5.9	121,450	7.3
Washington, D.C.	155,971	10.6	178,100	12.1
Cleveland	289,884	20.8	311,410	22.2
Dallas-Ft. Worth	157,450	11.6	195,970	14.5
Houston	166,346	13.0	216,030	17.2
Pittsburgh	497,830	40.6	539,570	44.9
Miami	168,460	15.2	192,900	17.5
Minneapolis-St. Paul	68,762	6.3	73,750	6.9
Seattle-Tacoma	345,001	31.7	382,830	35.0
Atlanta	183,441	16.9	232,020	21.8
St. Louis	84,756	8.3	77,680	7.5
Tampa-St. Petersburg	141,402	15.1	223,910	21.8
Denver	100,573	11.5	99,060	11.5
Baltimore	60,387	7.0	65,300	7.8
Sacramento-Stockton	168,437	20.8	205,470	24.6
Indianapolis	171,869	21.6	189,260	23.5
Portland, Oregon	134,140	17.0	155,250	19.7
Hartford-New Haven	336,858	42.9	321,630	45.4
Phoenix	66,513	9.1	98,140	13.5
Cincinnati	77,078	11.0	104,060	14.7
San Diego	352,086	50.5	385,550	55.1
Kansas City	167,256	24.0	206,980	30.0
Milwaukee	55,830	8.2	76,200	11.2
Nashville	102,009	15.6	132,910	19.7

(Continued from page 38.)

with that, the November counts (Nielsen's 23.2 homes figure in particular) are bound to set off a new wave of speculation over where cable penetration will stand by the end of 1982. The expectations for this year were generally hovering around the 21 or 22 million homes mark, with the outlook for 1982 hovering between 27 and 28 million. Together with the granting of major market franchises around the country (Dallas, Ft. Worth and low-budget-basic Boston, to name a few), the new estimates may lead some insiders to place their homes counts for the year ahead at a higher-than-expected level.

CBS Cable is slowly proving to be an attractive product on the local advertising level.

Cultural sell

CBS Cable is making advertising headway at the local level, as two cable systems report

NEW YORK—As CBS Cable's national sales force continues to weather early tough going attracting sponsors (four so far: Kraft, Exxon, Kellogg's and Quaker Oats), several local systems taking the four-month-old cultural channel have managed to hold up their end of the advertising boat. In the case of two East Coast systems, selling time on the network has been combined with the challenges of selling an operator's full ad-supported output for the first time.

Beyond CBS Cable, United Cable's system in New Britain, Connecticut, and Village Cable in Chapel Hill, North Carolina, have two things in common: 30-plus channel capacity and a September plunge into the local advertising sales realm. The differences between the two systems begin with subscriber bases (United with 40,000 homes; Village Cable with 6,000) and continue with their respective advertising strategies.

For United Cable, the advent of CBS and culture, in the opinion of ad manager Eric Hansen, has opened some doors close to the service's nature. "Our local symphony orchestra and repertory theater, specialized clients that easily fit the channel, have already taken spots. That's an opening." However, most of the clients taking CBS Cable messages are doing so as part of a cable package involving ESPN, CNN, USA and other networks. "Some advertisers aren't crazy about being on CBS," Hansen admits. "But clients like banks, car dealers, supermarkets, the standard client we're getting, say they want a whole cable audience, a little bit of everything. And that means culture with bits of news or sports."

To cope with the need, United came up with a special 13-week rate, known as Best Channel Available. Under the plan, an advertiser can buy time on three channels (one spot per day on each network, running from 6 p.m. to midnight) for $10 per 30-second message. Local ad spots normally go for $20 per spot. Along with the performing arts groups, United has attracted the state's Pepsi bottlers and Connecticut Casualty and Life among its early clients. Hansen adds that the local, cultural organizations will be able to plug upcoming events on a special billboard segment Friday nights, due to start shortly.

Performing arts groups have been slow to take ads on CBS Cable in Chapel Hill. But the takers have shown themselves anyway, claims system president Jim Heavans. Charging $18 per 30-second message for local CBS breaks (the same rate as other ad-supported networks on the system), Heavans says the service has sold spots to local real estate firms, fashion retailers and insurance dealers.

"One early trend is that sponsors buy CBS and CNN spots together. The notion is that both networks tend to draw upscale viewers—CNN with the male audience and CBS the female demographics," he says.

Village Cable also had help from a sales meeting last summer that drew between 150 to 175 sponsors. "At the time, we decided our market approach would be very candid off the bat," Heavans recalls. "We went to the market and set a rate—$10 per spot for every advertiser that signed on with us before September 15. And we told them that no matter how many spots they bought, their contracts would be protected for one year. The response was like a land auction."

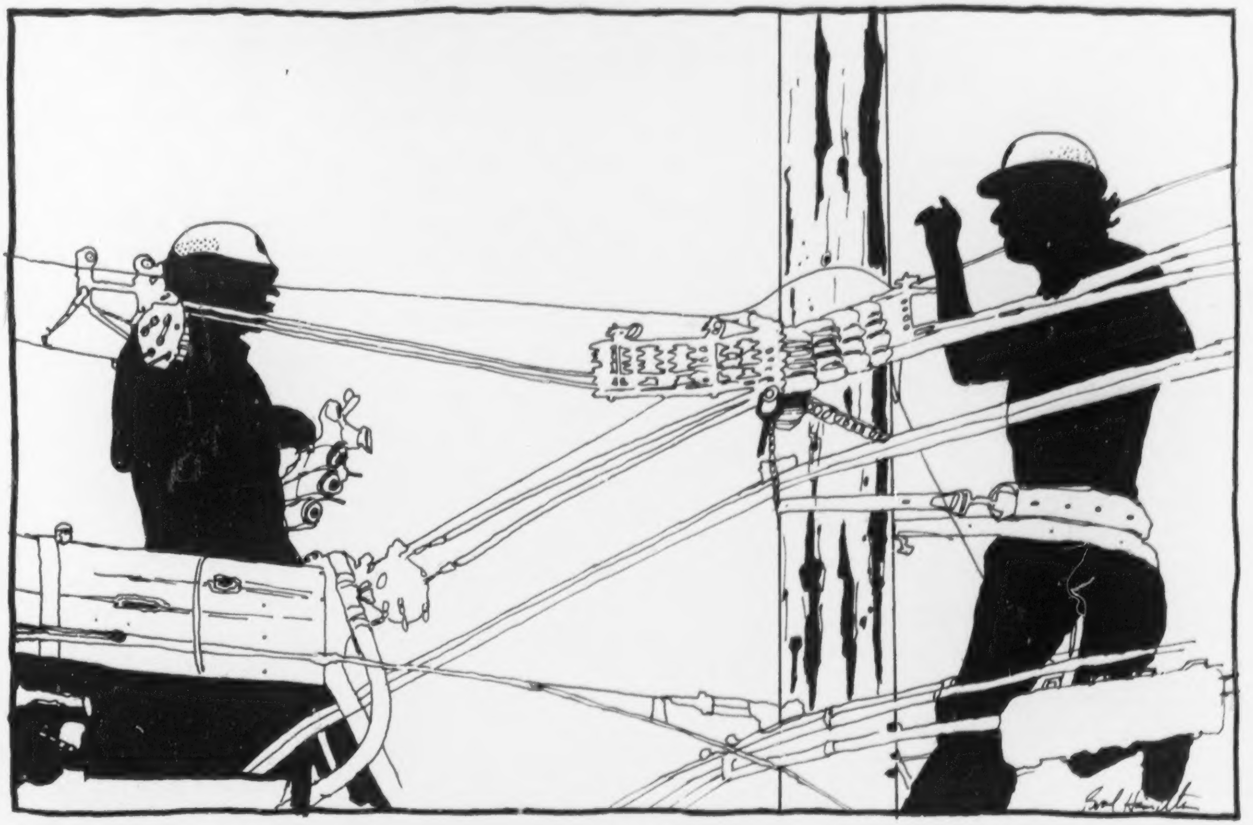
With seven channels to sell time on (USA, ESPN, an alphanumeric weather channel, shopping and local origination services in addition to CBS and CNN), Village Cable is projecting ad sales of $500,000 this year. Officials of United's New Britain system declined to project 1981 or 1982 figures.

—Simon Applebaum

Note

New ad agency for RCTV

The Entertainment Channel has appointed Levine, Huntley, Schmidt, Plapler and Beaver, Inc., as its advertising agency. According to TEC Chairman Arthur Taylor, the agency will handle all of the new pay service's advertising and promotion work. The Entertainment Channel, a joint venture of Rockefeller Center, Inc., and RCA, Inc., is scheduled to launch this coming spring. Levine Huntley launched campaigns for People Express Airlines and Kronenbourg Beer in 1981. The agency's older clients include Subaru of America and *New York Magazine*.



The beat goes on

But is the industry listening to a different drummer?

Relatively free from the hardships being felt by many other businesses in the United States, the cable industry will continue to grow in 1982, albeit increasing, in one manufacturer's words, "at a decreasing rate." However, construction figures acquired for 1982 have prompted *CableVision* to forecast approximately $1.8 billion in total construction expenses. This figure, in the eyes of some operators, is seen as being somewhat conservative, but in *CableVision's* view, it adequately reflects what appears to be a new conservatism within the industry. There is no doubt that 1981 was a banner year, with cable enjoying an adjusted growth rate of 43 percent. 1982 will see another heavy growth period, but not at such a high rate. It seems evident that while the number of new plant miles will grow from the 71,000 in 1981 to 85,168 for 1982, the total expenditures increase will be about 30 percent.

This expenditure for 1981, $1,403,878,000, reflects the thinking of many industry observers, who agreed that in 1981 cable brushed closely to the $1.5 billion mark but had not actually reached it. On the other side of the coin, some manufacturers were confident that cable had already come close to the $2 billion figure. However, *CableVision's* survey of operators simply tells us that the industry is not there, yet. 1982 will see expenditures surpassing $1.8 billion, but $2 billion is still a way off. Optimistically speaking, with a possible rally toward the end of 1982, specifically in the field of addressable converters, and more generally in the area of continued mileage growth, the $2 billion mark could be reached. But, presently this does not appear to be the case. Again, the word "conservatism" is cited simply because many individuals within the industry and a variety of analysts outside it expect to see a slight slowdown in total construction activity for 1982.

The reason for the potential slowdown boils down to one word—economy. "The cost of money is presently too high," said one manufacturer, echoing a statement made by many whom *CableVision* contacted during the course of the survey. "Unless the cost of money comes down, some construction contracts will either slow down or will be temporarily halted," added an operator. The cable industry has, in the past, been unaffected by the double digit inflation and skyrocketing prime rate, but such persistence is rapidly eroding.

Operators and manufacturers alike proudly insist that the cable industry always seems to buck the system, unlike many other industries (notably automobiles, housing and raw materials), but this may not prove true in the future. Granted, comparing auto manufacturers to cable construction is like comparing apples to oranges, but it is evident that both fields are highly capital-intensive and it is here where the potential trouble lies for the cable industry.

Construction expenditures

New plant construction

In miles	**1981 Actual**	**1982 Projected**
Underground	14,110	18,607
Aerial	57,505	66,561
Total	**71,615**	**85,168**

Cost ($ in thousands)		
Antennas and towers	3,750	4,103
Microwave equipment	25,000	27,684
Headend	28,611	32,658
Line amplifiers	103,256	132,360
Cable—Trunk	81,810	98,373
Feeder	97,448	115,263
Drop	59,419	80,695
Taps and outlets	39,611	46,065
Converters—Nonaddressable	213,760	300,000
Addressable	53,440	96,000
Construction services	250,276	294,486
Earth stations	13,750	18,695
Pay TV security devices	53,694	67,653
Local origination equipment	24,164	30,737
Labor costs	270,154	353,029
Total	**1,318,143**	**1,697,801**

Replacement plant construction

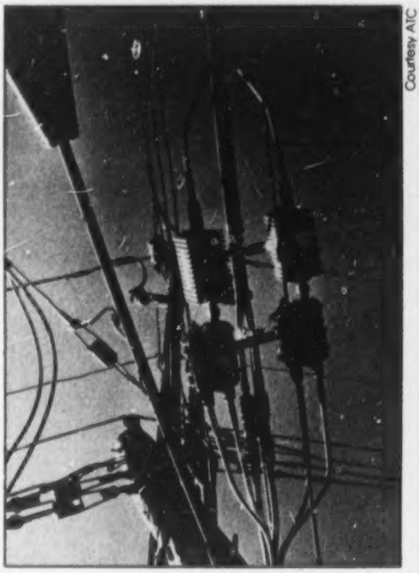
In miles		
Underground	7,247	9,376
Aerial	16,705	22,083
Total	**23,952**	**31,459**

Cost ($ in thousands)		
Antennas and towers	1,391	1,803
Microwave equipment	3,276	4,248
Headend	1,585	2,103
Line amplifiers	13,167	22,500
Cable—Trunk	11,538	17,964
Feeder	23,400	30,346
Drop	21,250	26,558
Taps and outlets	4,278	7,248
Converters—Nonaddressable	5,100	6,477
Addressable	750	1,413
Total	**85,735**	**120,660**
Grand total	**1,403,878**	**1,818,461**

These totals reflect a lower amount than projected in last year's construction expenditure as a major category has since been removed. The total miles include dual trunk, counted as two miles for each one mile strung, but do not take institutional loops into consideration.

The fluctuating stock market and high interest rates have hampered the cable industry in its drive to seek needed financing. This is perhaps best reflected in the increasing number of joint ventures in the industry, revealing the need to pool resources to weather the financial burden of building a cable system that encompasses some 100,000 to 200,000 homes. Some of the larger MSOs have relied on allowances from their parents, while other companies have been able to secure lines of credit. Whatever the financial source, the MSOs and the independent operators must face the fact that construction costs are going to continue to escalate.

The survey indicates that the most dramatic increase in expenditures for 1982 will circle around labor. 1981 saw a $70 million increase in labor, which more than supported operators' predictions in the fall construction report (*CV*, 9/14/81, p. 56), that labor would have its effect on construction levels and the speed in which systems are being built. For 1982, projected labor costs will rise to $353 million, a 31 percent increase. Are cable operators prepared to allocate more dollars to this category?



Courtesy ATC

"The question of compensation is making its presence felt as a part of a possible slowdown in construction," said one operator. Another MSO executive pointed out that "as construction crews demand more money for their work, it may become evident that the demand for construction crews and the need to complete the wiring on schedule will force operators to seek other, inexperienced crews at lower wages." This observation is not unique. Some operators fear that in the desire to complete a system, contractors and subcontractors with little cable construction experience will be brought in to wire a system, often causing unnecessary delays or, in some cases, performing less than adequate work that may have to be redone or becomes defective only several years after the initial installation. This one factor—being forced to rebuild sections of wire—has contributed to the total construction costs. As one manufacturing executive says, "A big problem is that operators want to put up the wire fast, get those subscribers on line and earn a quick return on their investments." Another operator adds, "When you crack cable, you do two things—let something in and something out—moisture [illegible] and radiation out. You won't just have problems with irate subscribers, you'll also have the FCC on your back. Coaxial is supposed to be round; it's made to stay that way, but there are plenty of chances to bend it, especially if it's put in quickly and inefficiently."

This announcement appears as a matter of record only.

NEW ISSUE December 17, 1981

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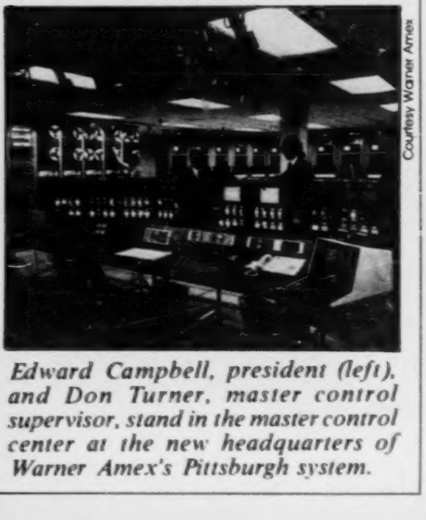
The demand for experienced construction crews has caused two things: one is that many of the top MSOs are either running their own construction training operations, or have a construction division (see sidebar), and two, with demand for construction crews surpassing supply, the cost for experienced crews goes up. So, operators must pay to get what they want. And, again, this factor revolves around the availability of money.

Cash may be tight, but credit will still be an important contributor of funding, backed by sales projections and sales records that have continuously been reported by MSOs and manufacturers alike throughout fiscal 1981. This will still be the case in 1982, for despite the rather pessimistic outlook presented so far, there are many factors that indicate that the cable industry will experience a very healthy 1982, if at a lower percentage growth rate.

The positive factors naturally have a bearing on the overall construction expenditure picture. First of all, the number of subscribers, both pay and basic, will continue to grow at a fast pace. A recent Warburg Paribas Becker report (see "Leading the week," p. 24) claims basic subscribers will reach 31 percent by the end of 1982. And, second, 1982 may be a year of realization of current experiments—program services, security and addressable converters. Finally, 1982 will see the beginning and continuation of cable construction in the large recently granted franchises. 1981 was a key year for the awarding of major cities—Indianapolis, Fort Worth, Miami, Fairfield County, Boston, Prince George's County, and others.

Several MSOs, such as Cablevision Systems, Storer, Cox and Warner Amex, will experience a major construction workload in the new year. Warner has its work cut out for it as it continues work in its newest QUBE outlets in Dallas, Cincinnati, Pittsburgh, Houston, Chicago and suburbs of St. Louis (see sidebar). And most importantly, as *Cable Vision*'s refranchising feature (*CV*, 12/7/81, p. 114) pointed out, the responsibilities of refranchising loom threateningly on the horizon, with an end result being placed rather heavily on rebuilds. In fact, the rebuild situation is beginning to pick up throughout the industry. Companies like Tele-Communications, Inc., Warner and American Television and Communications may eventually face a series of rebuilds in some of their smaller systems which are on the verge of beginning refranchising negotiations. In addition, both Teleprompter and Times Mirror are in the midst of a five-year rebuild plan.

Such operations are in turn providing revenue for other companies. And with the heavy load of construction mileage slated for 1982, manufacturers should feel confident that their com-



Courtesy Warner Amex

Edward Campbell, president (left), and Don Turner, master control supervisor, stand in the master control center at the new headquarters of Warner Amex's Pittsburgh system.

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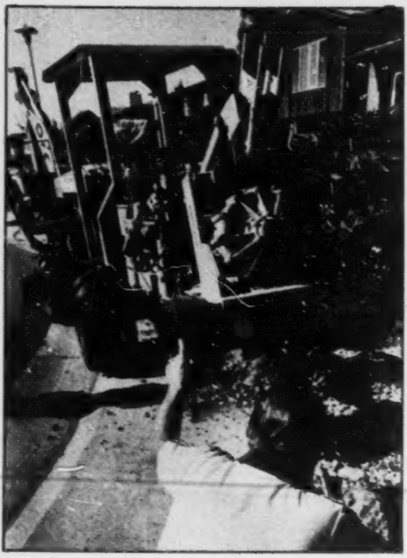

Rob Stuehrk

panies will thrive. The question is how long this trend will continue.

One manufacturer declared that there will be "dramatic growth for several years," but, like others, he footnoted his statement by adding that "construction won't continue at the same rate. Demand for products will simply not be as great as companies cut down or eliminate their stockpiling." Added another manufacturer, "We expect 1982 to be a continuation of our very favorable performance, but we see no further doubling of revenue as we have had the past several years."

CableVision's survey justifies these statements. All categories will experience growth, but some will have lower percentage increases than others. For example, our survey last year projected that line amplifiers would total approximately $106 million for 1981. Instead, they were about $103 million. It is a relatively slight difference, but in most other categories, the actual 1981 number was greater than the projected 1981 figure. The reason behind the lower actual number is attributed to the stockpiling phenomenon that manufacturers said operators were doing. In 1981, MSOs and independent systems allowed their own supply of products to diminish without replenishing them. The stockpiling cost, said one cable executive, "was simply too great to allow a continuation of this policy. It's just not cost effective for us." 1982, however, will see line amplifiers increase substantially as cable operators anticipate the need for such a product. But these new purchases will more than likely be used when there is demand for them, rather than relying on stockpiling.

In addition, our survey indicates that items such as antennae and towers and microwave equipment will not experience strong growth rates, while the earth station market will more than likely show a considerable sales increase. The rationale behind this is that as more and more cable systems come on line, there will be purchases to meet this demand, but more specifically, increased orders for dishes will result from the developing two- to three-earth station market (*CV*, 9/28/81, p. 28). *CableVision*'s figure of $18 million-plus for earth stations in 1982 is at best a rough estimate, for it is difficult to project just how many cable systems will decide this year to join the multiple dish crowd.

Local origination equipment will also increase rather substantially in 1982, due in general to increased activity on the local production front, and more specifically, due to the large L/O promises made by MSOs which have won major franchises. Local

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origination has rapidly become an important factor in the granting of a franchise, and many MSOs have had to up their budgets in allocating funds to this category. Therefore, more cameras, mobile vans and full-scale production studios will come on line in 1982 than ever before.

Naturally, because of the increased number of miles scheduled to be built in 1982, the need for cable trunk, feeder and drop will be high. Our projections reflect this with increases of 20, 18, and 36 percent (new build), respectively. Again, the factor of little or no stockpiling has been taken into consideration, with operators purchasing just enough material to cover their needs. Tying up needed money in extra inventory simply increases costs in other categories: accounting of inventory, storage and depreciation, to name a few.

Addressable converters are the next item that will become an explosive market within the industry in the years to come. Non-addressable converters will grow tremendously in 1982, up 40 percent, but it will be addressable converters that will have the greatest increase among all categories in 1982, the market almost doubling from 1981's figure of approximately $53 million to 1982's projected total of $96 million. This represents an increase of over 80 percent. However, according to some industry manufacturers and analysts, this figure will just barely scratch the surface of the potential market for addressable boxes. One manufacturer said that addressable converters "will not become a true factor until 1983," while another insists that by the end of 1982, addressable converters will "be the rule, rather than the exception."

One study indicates that sales figures for addressable converters may increase as much as 200 percent by 1983. It would appear that most, or perhaps all, major markets being built in the next few years will include addressability. As one operator has stated, "the addressable marketplace is just plain wide open." That perhaps best sums up the vibrant converter industry, which could well be an important contributor to making 1982 a successful year.

It is generally good to end on a positive note, but it must be reemphasized here that the economy will play a big role as to whether or not 1982 will become another landmark year. Past construction survey stories have had such headlines as "The $1.5 Billion Sellers' Market," "The Boom Industry

Continued to p. 59.

Continued from p. 54.

of the '80s" and "Silver Lining in Recession Clouds Points to Solid Growth Year for Cable." The past few years have been good to and for cable, and the next few years will more than likely continue on that same line.

But most cable operators and manufacturers are wiser; they are becoming more experienced, and in many ways, as mentioned earlier, they are undergoing a conservative shift that is threading its way throughout the country. As one manufacturer remarked, "MSOs are really starting to become more mature; they are centralizing operations and taking advantage of economies of scale. They're getting rid of inventories because they are eating away at revenue. There's a lot more planning and a lot more forethought." Indeed, these factors will contribute more to cable's success in the construction marketplace than attempting to get a lead on a competitor by rushing untested products into the marketplace or sacrificing quality to sign up subscribers at a faster rate. Cutting corners by cutting costs in some categories will not produce the desired end results, nor will it contribute to an accurate total in construction growth.

The industry will grow in 1982, if slower than in the past, but judging from these numbers, it will still be a remarkable year. Generally, *Cable-Vision* has been able to predict how and in what way the industry will move. Once again, as in the six years past, the results of the survey are derived from a sampling of MSOs and manufacturers, and while these numbers are approximations only, they represent *Cable Vision's* best educated analyses, based on the data supplied. All numbers and company references have been held in strict confidence.

Yet, there is one caveat. As the fluctuating marketplace of today becomes a daily headache, and as the economy remains mired in its present, rather muddied state, it is difficult to predict what will happen. *Cable Vision* will keep its readers updated on the industry's construction process in 1982 with our spring and fall examinations. It is likely, however, that in 1982, the industry will experience more than a few changes, based in part upon the economy. And taking this into consideration, along with increased forethought, the cable industry may indeed be listening to a new drummer, and if this is so, it is the construction side that is leading the band.

—Peter Evanow

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Highlight on trainees

Courtesy Warner Amex

A National Institute of Technology instructor videotapes students climbing utility poles in preparation for cable installation at Warner Amex's Dallas system.

Six months ago, American Television and Communications Corporation dedicated its new construction training facility in Denver. The number-one MSO felt it appropriate to develop such an operation because of the pressing need for technicians and installers. In addition, ATC has its own construction division, which has contributed significantly to its construction efforts around the country.

But, ATC is not the only company to realize the need for training its own construction employees. In a new program offered by United Cable TV, also based in Denver, 20 men and women have been hired as trainees for cable system construction jobs. The students are paid during the six-week course and will be placed in entry level positions as cable installers and construction linemen once they first have completed the course

The course, the first of two that United is conducting, is being taught by consultants from Henkels & McCoy, a contracting and engineering firm for utilities and construction industries. The text materials and tests are being provided by the National Cable Television Institute. Instruction centers around both classroom and actual simulated installation work. The course outline includes pole climbing, safety, customer relations, installation, TV fundamentals and defensive driving.

United has yet to determine whether it will continue the program. Presently, the company is awaiting the results of the first classes. The graduates will be placed in United systems surrounding Denver, a company spokesman said. He added that the program will more than likely continue if United wins the Denver franchise.

Warner Amex, which has its hands full in terms of cable construction, has also become involved in a training operation that will bring new field technicians into its Dallas system. The technicians were trained at the National Institute of Technology's Dallas school, under an arrangement with Warner. Course content included cable training in customer relations, pole climbing, installation, trouble-shooting techniques and basic electronic maintenance of the QUBE system. The first session produced ten technicians and is to be followed by several additional sessions.

Warner is slated to build 2,500 miles

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CATV Texas Cable TV Association

Cover story

Nicholas Bayless, a trainee at United's construction school, is learning pole climbing as a pre-requisite to qualify for a position as a cable installer.

in Dallas, passing 400,000 homes, and another 900 miles in Cincinnati, passing more than 160,000 homes. In addition, the company is building systems (all QUBE-operated) in Pittsburgh, Houston, Chicago and the suburbs of St. Louis.

A stress on organization

Despite the fact that several MSOs are developing their own construction training programs for their companies, one problem that is hindering the industry is a general lack of standardization. "Everyone has their own construction manual," complains Hazel Kenney, general manager of Ohio-based Jackson Enterprises, a leading contractor, which offers strand mapping, make ready surveys, system audits and the construction of cable systems. In addition, Jackson manufactures a line of construction tools and owns a number of cable systems.

On the topic of training construction personnel, Kenney believes each company has its own philosophy, which can prove hazardous to the industry as a whole. "Everyone teaches their own apparatus to their crews—

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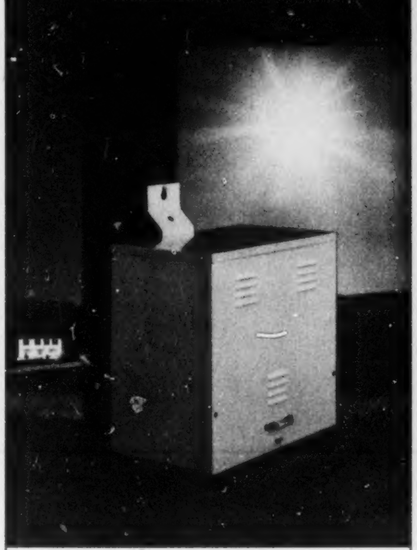

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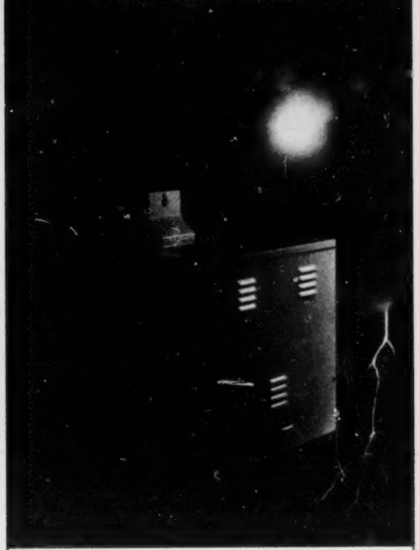

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how to do it their way. As with any other student that is taught one way, he generally stays that way, meaning that there are just enough small differences around the country to confuse the craftsman."

The potential result of this is that construction workers who have moved to a different area and work for a different construction company or MSO may indeed commit an unintentional error in wiring. "We could be looking at a rebuild after only six years, for example, because of some defect in the original build. It can be a costly problem."

What Kenney and many others in the industry would like to see is a joint effort on the part of the major construction companies and the MSOs. Pooling ideas to develop one compre-

A history lesson

A logging of the past six construction forecasts

	1978 Projected	1978 Actual	1979 Projected	1979 Actual	1980 Projected	1980 Actual
New plant construction						
In miles						
Underground	3,409	4,121	4,502	8,736	12,223	7,582
Aerial	18,180	18,005	20,163	23,178	36,709	48,750
Total	**21,589**	**22,126**	**24,665**	**31,914**	**48,932**	**56,332**
Replacement plant Construction						
In miles						
Underground	1,264	1,159	1,113	1,508	519	1,145
Aerial	7,084	6,998	8,572	6,635	7,538	8,925
Total	**8,348**	**8,157**	**9,685**	**8,143**	**8,057**	**10,070**
Grand total (in thousands)	**$227,254**	**$241,607**	**$262,075**	**$651,853**	**$1,049,263**	**$1,187,744**

These numbers do not reflect the 1982 adjusted figure.

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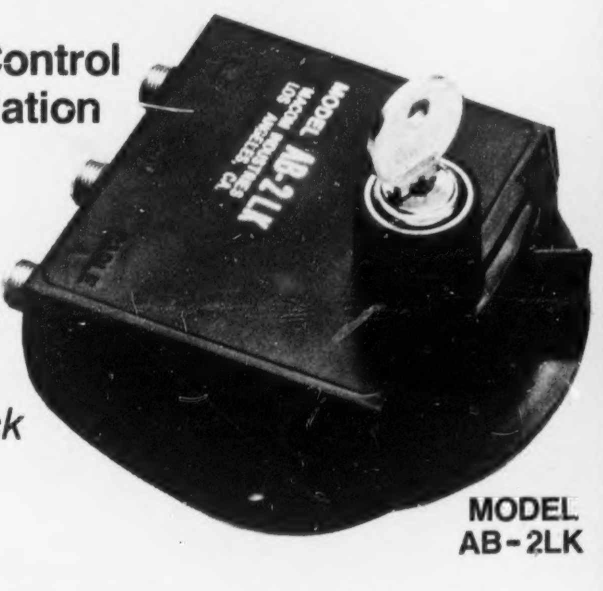

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hensive construction manual to be used nationwide would be the intended goal. "Having everybody come together would naturally result in better overall quality," she says.

"If we could set a construction standard," Kenney continued, "then we could get utility companies to participate as well." Kenney pointed out that setting industry mapping standards, as was done by the NCTA in 1974, when it developed certain mapping symbols, is an important step in the right direction. "In the case of mapping symbols, we really need the utilities, because they have the say over how to use the pole.

"It's a sizeable task," Kenney admits. "Design symbols need updating. Presently, Wendell Bailey [of NCTA's Science and Technology

A history lesson

A logging of the past six construction forecasts

	1975 Actual	1976 Projected	1976 Actual	1977 Projected	1977 Actual
New plant construction					
In miles					
Underground	1,865	844	1,606	2,225	2,522
Aerial	9,310	12,906	10,852	18,560	16,271
Total	**11,175**	**13,750**	**12,458**	**20,785**	**18,793**
Replacement plant Construction					
In miles					
Underground	655	683	207	685	1,222
Aerial	2,600	4,384	2,893	2,916	6,236
Total	**3,255**	**5,067**	**3,100**	**3,601**	**7,458**
Grand total	**$126,822**	**$143,242**	**$168,952**	**$196,004**	**$194,795**

(in thousands)

These numbers do not reflect the 1982 adjusted figure.

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office] is reprinting the original book on mapping symbols."

Kenney first became aware of a standardization problem when she started working for Jackson in the early '70s. Because the industry is still relatively new, and moving so rapidly, she says, there simply hasn't been time to develop some industry-wide guidelines. This applies especially in training. "People are brought along very fast because of the shortage of personnel in construction. Cable is a type of business where one has to have a certain motivation to work in the industry. One of the reasons why Jackson pulled in its horns geographically [in 1979] was to keep a stable workforce. There's just too much going against any kind of standardization when employees are jumping jobs."

With a keen sense of determination that has positioned her into the general manager's chair at Jackson, Kenney is making some headway in her quest to bring some common ground to the industry. But she has to convince others to follow suit. "Everyone would get a better construction job and it would be a lot easier to train employees if we worked together."

Picking up remains

It would appear there is a market, or a business, for everything. For example, what would one do with old or damaged cable that has been replaced? Call in Copal Industries, Inc., of course. Copal's slogan is appropriately "We're buying [scrap cable]."

As their ad claims, Copal is a service that solves a problem and earns a profit for the cable operator. "Basically, we're in the metal business," says John Smeriglio, vice president of marketing. "We recycle metal out of cable for reprocessing; we remove the copper and aluminum and discard the steel and plastic."

The two advantages to the cable operator are that Copal will haul away all discarded cable. In addition, the operator is paid a certain amount, based on the pound, for all the cable Copal will haul away.

"Most MSOs don't want salvage cable," Smeriglio explains. "So that's where we come in. We will send out a crew that will pick up the material and truck it to our processing plants in either California or Georgia."

The company primarily is interested in the copper and aluminum; however, it will remove all material, including that which it cannot use or turn around for a profit of its own.

Copal takes new and remnant waste plus the tail ends on spools. Approximately 20 miles is a full load, says Smeriglio. Presently, there are ten company trucks on the road traveling to and from cable construction sites.

"We plan to add another 40 trucks by next July," he says proudly, "constantly in motion." Copal has worked extensively for ATC as well as Teleprompter, Cox, Warner Amex and MetroVision. The rate Copal pays per pound is closely tied to the going rates on the metals market. When the company contracts for a job that may last over a period of time, it is careful to take market fluctuations into account.

Once the cable is in Copal's hands, the company turns around and sells it to large recyclers like Anaconda and Alcoa.

Smeriglio is pleased with the success that Copal has achieved thus far. "We just saw the demand to move scrap cable, and so we went after it," he says. The company hasn't looked back since.

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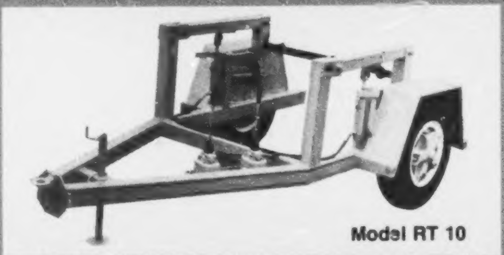

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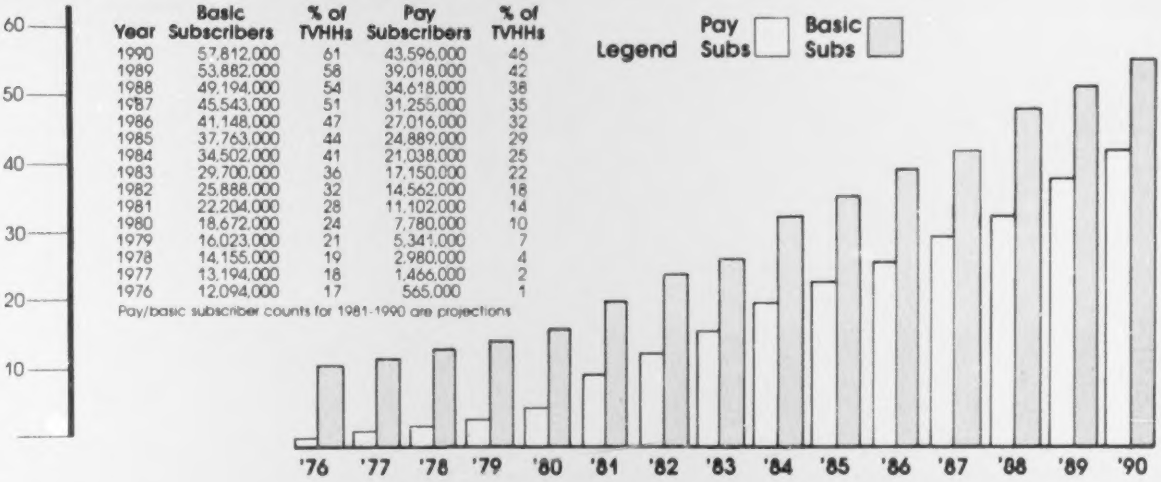

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,204,000	28	11,102,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1981-1990 are projections

Legend Pay Subs ☐ Basic Subs ▨

Announced satellite-fed networks–1981

	Launch Date
February 1981	
Daytime—four-hour women's programming service from Hearst/ABC Video Services . . . ad-supported.	3/15/82
March 1981	
MTV—24-hour video rock music channel from WASEC... ad-supported.	6/1/81
The Nashville Network—country and western music and lifestyle service, produced by WSM-TV, Nashville (Grand Ole Opry, possibly in conjunction with Group W Satellite Communications). . . ad-supported.	second quarter 1982
April 1981	
UTV Cable Network—12-hour daily hybrid service featuring games and other audience participation programming . . . ad-supported.	second quarter 1982
May 1981	
Eros—adult entertainment pay cable service.	1/1/81
Kidvid Network—daytime children's television service . . . ad-supported	second quarter 1982
Penthouse Entertainment Network—joint adult entertainment pay service between TeleMine and and *Penthouse* magazine.	T.B.A.
June 1981	
The Buena Vista Channel—bi-lingual programming for Hispanic Americans . . . noncommercial basic service.	T.B.A.
July 1981	
Cable Newspaper Corporation—hybrid programming channel using resources of local newspapers around the country . . . ad-supported.	second quarter 1982
WBLS-TV/Black Music Cable (Inner City/Unity)—12-hour video music service spotlighting black performers . . . ad-supported.	third quarter 1982
Spanish Universal Network—Spanish-language programming service . . . ad-supported.	T.B.A.
The Weather Channel—24-hour video weather service from Landmark Communications . . . ad-supported.	second quarter 1982
August 1981	
Satellite News Channels I—joint venture between ABC Video Enterprises and Group W Satellite Communications, 24-hour headline news service with 18-minute summaries of events . . . ad-supported.	first quarter 1982
Satellite News Channels II—24-hour in-depth news and information programming using ABC News resources (joint venture between ABC Video Enterprises and Group W Satellite Communications) . . . ad-supported.	fourth quarter 1982
Cable News Network 2—24-hour news service	12/31/81
The Playboy Channel . . . adult entertainment pay service, ultimately to merge with Escapade (Rainbow)	January 1982
September 1981	
ESPN/ABC pay sports service—one pay-per-view sports event per month, cablecast over ESPN.	second quarter 1982
October 1981	
SPN networks—subdivision of Satellite Program Network into four services: one for informational and how-to programming, one for movies, another for religious and financial shows, and one for international fare . . . all four networks are ad-supported and 24 hours daily.	second quarter 1984
Home Theater Network Plus—expansion of Home Theater Network into 12-hour service.	3/1/82
Heartbeat Media Network—12-hour hybrid video music channel, encompassing rock, soul, jazz, and other formats . . . ad-supported.	third/fourth quarter 1982
National Jazz Network—24-hour jazz audio service . . . ad-supported.	first quarter 1982
November 1981	
The Disney Channel—16-hour family programming pay network from Walt Disney Productions and Group W Satellite Communications	first quarter 1983
December 1981	
Spotlight—pay service currently on Times Mirror systems, will become foundation service for industrywide use.	first quarter 1982

Cable stats

Top 25 MSOs

Rank	Multiple System Operator	Subscribers
1.	ATC	1,625,000
2.	Teleprompter/Westinghouse	1,533,322
3.	TCI	1,277,000
4.	Cox Cable Communications, Inc.	1,019,989
5.	Warner Amex Cable Communications, Inc.	850,000
6.	Storer Cable Communications	800,002
7.	Times Mirror	635,368
8.	Viacom Cablevision	535,000
9.	Newhouse Broadcasting (includes NewsChannels, MetroVision and Vision Cable)	528,981
10.	UA-Columbia	467,544
11.	Sammons Communications, Inc.	433,545
12.	United Cable Television Corporation	432,112
13.	Continental Cablevision, Inc.	410,000
14.	General Electric Cablevision Corporation	276,000
15.	Cablecom General/Capital Cities	268,577
16.	TeleCable Corporation	264,000
17.	Heritage Communications	220,000
18.	Liberty Communications	208,298
19.	Cablevision Systems Development (includes Cablevision of Chicago)	206,000
20.	Service Electric Cable TV, Inc.	189,500
21.	Comcast Corporation	186,392
22.	Wometco Communications, Inc.	180,000
23.	Midwest Video Corporation	174,349
24.	Century Communications	162,000
25.	TCA Group	155,000

Top 25 cable systems

Rank	Location	Subscribers	Operator
1.	San Diego, CA	Cox Cable	209,000
2.	Long Island, NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	124,300
4.	Manhattan, NY	Teleprompter	120,000
5.	West Orange, NJ	Suburban Cable	114,626
6.	Los Angeles, CA	Theta Cable/ Teleprompter	100,000
7.	Wayne, NJ	UA-Columbia	94,937
8.	Tulsa, OK	United Cable	91,113
9.	Erie County, NY	Prime Cable	90,961
10.	San Jose, CA	Gill Cable	86,000
11.	Central Islip, NY	Viacom	79,673
12.	Audubon, NJ	Audubon Electronics	79,125
13.	Orlando, FL	ATC	68,550
14.	Toledo, OH	Buckeye	66,907
15.	Wilmington, DE	Rollins Cable	65,600
16.	Austin, TX	ATC	65,295
17.	Grand Rapids, MI	General Electric	63,777
18.	Honolulu, HI	Oceanic Cable/ATC	59,400
19.	San Francisco, CA	Viacom	59,138
20.	Flint, MI	Comcast	57,255
21.	Allentown, PA	Twin County	57,000
22.	Santa Barbara, CA	Cox Cable	54,322
23.	Baton Rouge, LA	Daniels	52,000
24.	San Diego, CA	ATC	51,350
25.	Columbus, OH	Warner Amex Cable Communications	51,000

Recent franchise activity

Date	Franchise	Homes Passed	Status	Award Date
June 1981	Vancouver, Washington	60,000	Awarded to Cox Cable	—
July 1981	Fairfield County, Connecticut	120,000	Awarded to Cablevision	—
Aug. 1981	Boston, Massachusetts	242,000	Awarded to Cablevision	—
Sept. 1981	Springfield, Massachusetts	60,000	Awarded to Continental	—
Oct. 1981	Tucson, Arizona	135,000	Awarded to Cox Cable	—
Nov. 1981	Prince George's County, Maryland	120,000	North end awarded to Storer Communications of Maryland with south section going to MetroVision.	Nov. 1981 Dec. 1981
Dec. 1981	New York, New York	Bronx—490,000 Brooklyn—885,000 Queens—720,000 Staten Is.—106,000	The Board of Estimate for New York has recommended Cablevision/Bedford Stuyvesant for northern tier of Brooklyn with Warner Amex for south. In Queens, American Cablevision of Queens (ATC), Queens Inner Unity Cable Systems and Warner Amex are being considered. On Staten Island, Cox Cable, Vision Cable and Warner Amex have been targeted for negotiation. Cablevision Systems was sole bidder in the Bronx.	
Dec. 1981	Denver, Colorado	216,000	Bids submitted by Mile Hi Cablevision (ATC and Daniels), Teleprompter and United.	Feb. 1982
Dec. 1981	Milwaukee, Wisconsin	252,000	Bids submitted by Warner Amex, Teleprompter, Milwaukee Cablevision, First Cable of Milwaukee, Community Citizens Controlled Cable Co-op, Viacom.	Feb.-Mar. 1982

Cable barometer

Television households (TVHH)	79,300,000	Percent of TVHH passed by cable	51%
Homes passed by cable (HP)	40,777,040	Pay cable subscribers	11,102,000
Basic cable subscribers	22,204,000	Percent of TVHH with pay cable	14%
Percent of HP with basic cable	54%	Percent of HP with pay cable	27%
Percent of TVHH with basic cable	28%	Percent of basic subs with pay cable	50%

C 8920 - 202

13
Storer
Rogers

- Minneapolis [illegible]
- The future of S[illegible] municipal ownership awaits vote
- Escapade readies Playboy's venture into cable
- Prime time network ratings show cable gain

CableVision

The news and features weekly of the cable television industry

January 18, 1982

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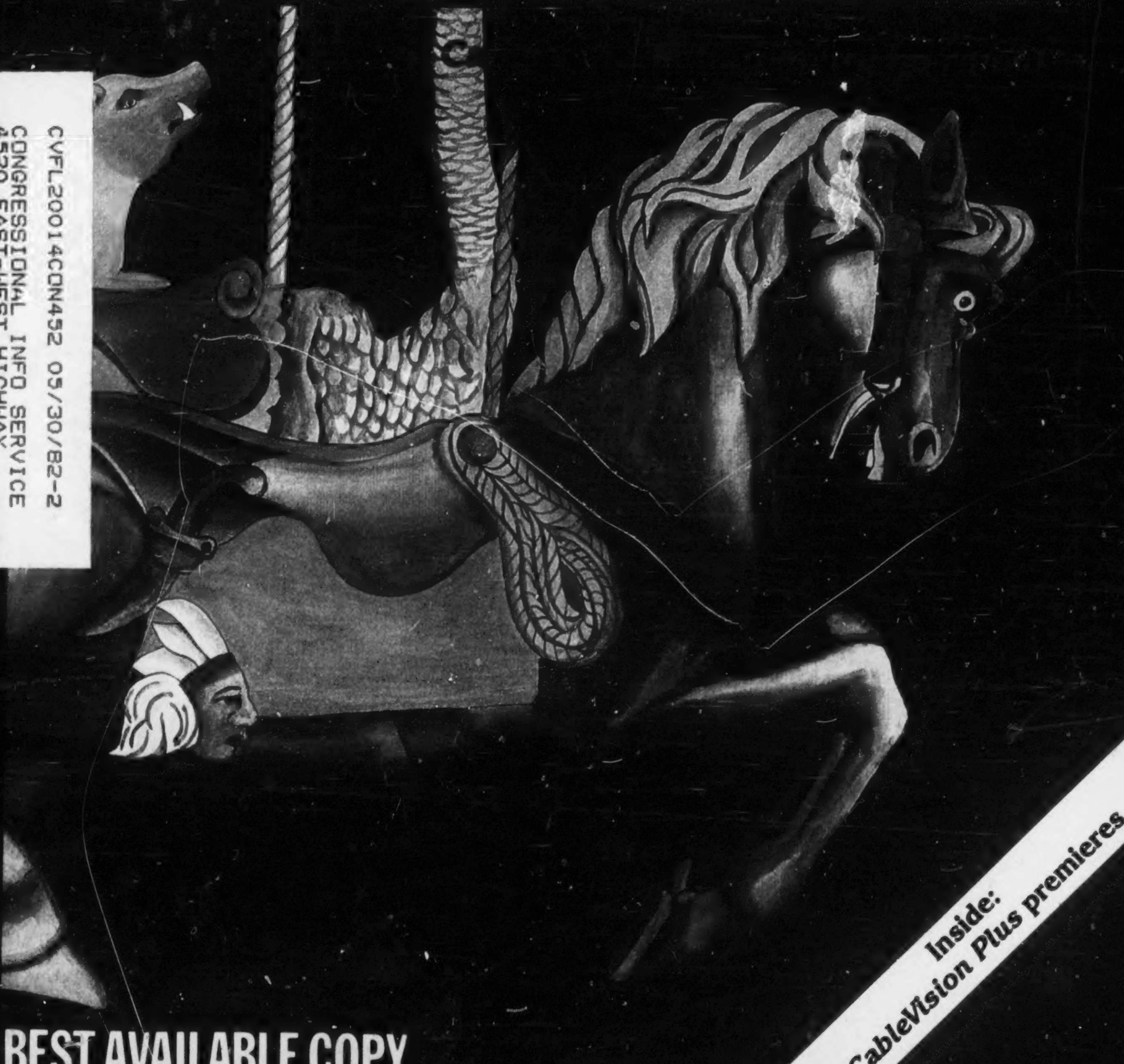

Inside:
CableVision Plus premieres

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CableVision

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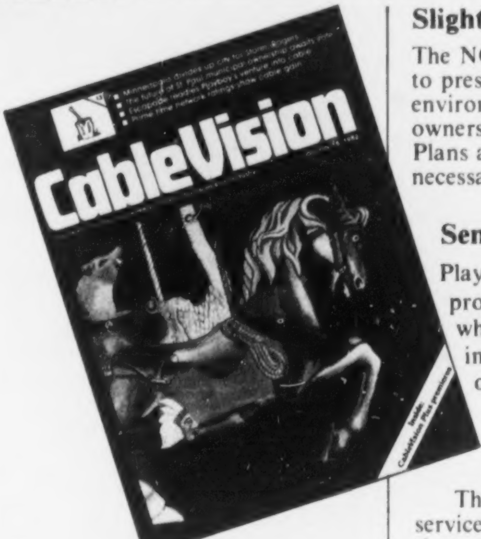


CableVision Plus

This week, in the marketing and advertising feature supplement, *CableVision Plus* looks at programmers' use of marketing lures to sell their service. In two sidebar pieces, ad agencies are rated by cable programmers, and CBS Cable's courting of the Alameda, California, franchise is examined. **Page 31**.

Making friends

UA-Rogers Cablesystems and Storer Cable have buried the hatchet in Minneapolis where the two companies have been competing for the city's cable franchise for more than two years. A letter was sent to the city council requesting that the city divide itself in half with a piece for both companies. **Page 13**.

By a thread

The terms of the network pooling agreement were dictated by union contracts, and the White House is the only party left to sign. **Page 13**.

Role playing

The referendum in St. Paul deciding the future of the city's plans to design a municipally-owned cable system will be determined in April during the general election. The Minnesota Cable Communications Association and the NCTA are in the preliminary stages of determining what role to play during the public referendum. **Page 16**.

Slight deficiency

The NCTA board will ask the FCC to preserve a fair and competitive environment in terms of cross-ownership, terming the Office of Plans and Policy's study deficient of necessary information. **Page 17**.

Sensual fare

Playboy's venture into cable programming commences January 22, when Escapade begins carrying the initial hour-long video adaptation of *Playboy* magazine. **Page 23**.

The mark of Z

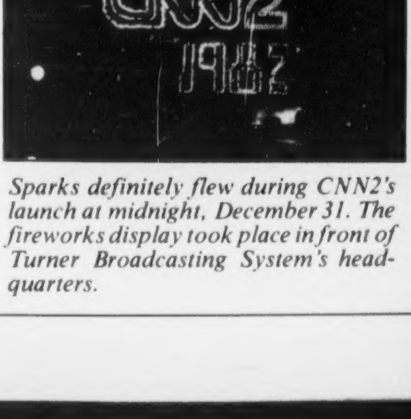
Theta Cable's stand-alone pay service, Z Channel, will soon have three more pay companions. HBO, Showtime and The Movie Channel join the line-up in an expensive marketing campaign. **Page 28**.

One moment, please

Compton Advertising calls a report on competing cable news services "imprudent," apologizing to TBS Chairman Ted Turner by saying the intention of the report was "not to get involved with the 'infighting' between competing news operations." **Page 30**.

Specializing

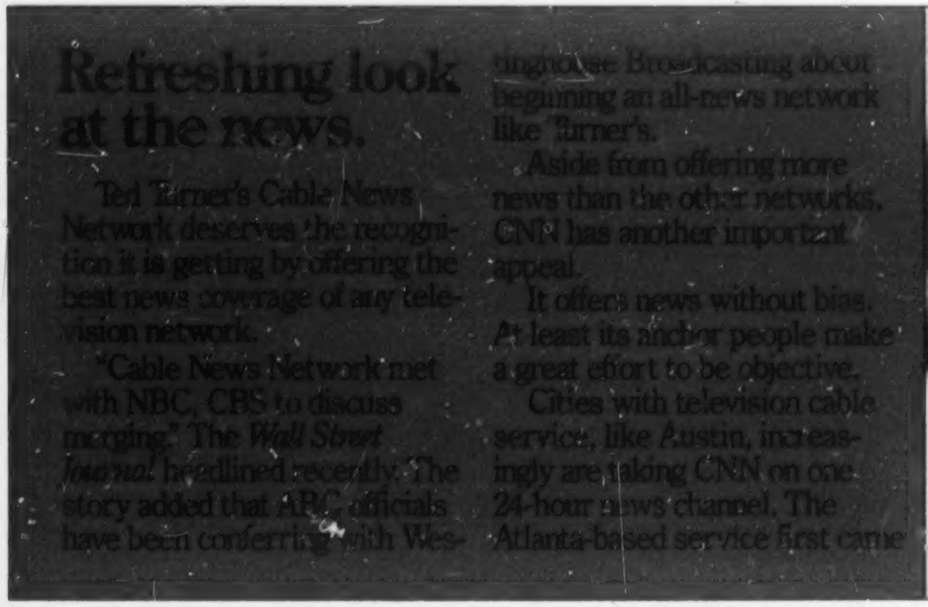
A new industry association, designed to give minorities more voice in the industry has been formed, called Minorities in Cable and New Technologies. **Page 55**.



Sparks definitely flew during CNN2's launch at midnight, December 31. The fireworks display took place in front of Turner Broadcasting System's headquarters.

CRITICS SAY CNN OFFERS THE BEST N

Of course, that's not news to us. We've known it all along. But it's nice to know that the word is out. So we've decided to reprint a few of those words. These, in particular, come from Richard Morehead of THE DALLAS NEWS.



Refreshing look at the news.

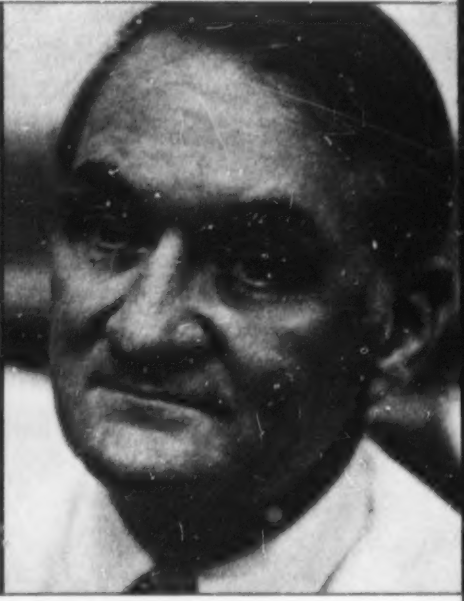
Ted Turner's Cable News Network deserves the recognition it is getting by offering the best news coverage of any television network.

"Cable News Network met with NBC, CBS to discuss merging," The *Wall Street Journal* headlined recently. The story added that ABC officials have been conferring with Westinghouse Broadcasting about beginning an all-news network like Turner's.

Aside from offering more news than the other networks, CNN has another important appeal.

It offers news without bias. At least its anchor people make a great effort to be objective.

Cities with television cable service, like Austin, increasingly are taking CNN on one 24-hour news channel. The Atlanta-based service first came



Thank you, Mr. Morehead. We appreciate the kind words. But, as we say, we knew we had a good thing all along. And now, so do the critics. And so can your subscribers.

So, if you haven't discovered what a great thing CNN can be for your subscribers, we have some great news for you. Just call Nory LeBrun at (404) 898-8500 or write him at Cable News Network, 1050 Techwood Drive, Atlanta, Georgia 30318.

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WS COVERAGE OF ANY TV NETWORK.

to our attention last year, and it is spreading across the nation via satellite.

It is my favorite TV news source, and I marvel at its ability to provide 24 hours, day and night, of interesting news and commentary. My appetite for news doubtless exceeds the average and admittedly even CNN can give me an overdose. A fellow needs sleep sometimes.

But CNN is a refreshing experience after years of frustration from depending on the three major networks announcers-experts to express their conventional wisdom about news events. There are exceptions, but credibility of reporting has suffered greatly.

Now comes CNN with staff people to summarize the news, then give the viewer the bigger picture to see for himself/herself. That's what old-time journalism teachers described as the way to report news.

Unless labeled as opinion, CNN broadcasts seldom indicate the views of its reporters. It does occasionally offer short commentaries, ranging from Bella Abzug to Barry Goldwater, and it has talk shows with opinions.

Turner spends a fortune every week on his new venture, and we wish him success with it. CNN deserves to stay in business, if for no reason other than that the regular networks (Turner calls them "nitworks") are being forced to re-examine their news program policies.

CNN

CABLE'S MOST IMPORTANT NETWORK.

TURNER BROADCASTING SYSTEM

1050 TECHWOOD DRIVE, NORTHWEST. ATLANTA, GEORGIA 30318 except the Universal tier, at a cost of $5.95.

Mile Hi further alleged that United's and Teleprompter's average basic costs change significantly when second set revenues are considered. "It is common knowledge in the cable industry that the consultant would not include second set revenues in the basic service cost calculation; Teleprompter and United adjusted their numbers accordingly."

Including second set revenues, Mile Hi shows its average basic cost is lower than the competition's. Mile Hi accused Teleprompter of "low-balling" capital dollars and overestimating basic subscribers in order to come up with low basic rates.

Both Teleprompter and Mile Hi lambasted United for its 23-month construction schedule and pointed to an apparent discrepancy in the proposal between United's claim it will "wind down" construction in the suburbs and its remaining commitments in 1982 and 1983.

Rick Clevinger, vice president of engineering for United, replied that the totals presented in the proposal were in error.

Clevinger said the Denver suburbs require 1,832 plant miles—1,568 miles of which will be completed by August 1982, the tentative date on which construction in the city is to begin. That schedule leaves some 264 miles to be completed in the suburbs.

Clevinger said that since spring United has achieved an average rate of 70 miles per month, the pace at which it will have to build in order to wire the city of Denver within two years.

—Victoria Gits

Slipping in one sweep

One commercial network's figures says all three in the field have lower viewership in cable homes, basic and pay

NEW YORK—A breakdown of November 1981 sweep ratings compiled by ABC shows that network and its competition, CBS and NBC, registering lower viewership levels in both pay and basic cable households. Using A.C. Nielsen data as a base, the breakdown was released to *CableVision* last week.

In all television households, ABC and CBS ended up two-tenths of one percentage point apart for the month—an 18.9 rating for ABC to 18.7 for CBS (see accompanying chart). NBC trailed with a 16.3 rating. In pay cable households, the figures show all three networks lose audience, CBS suffering the biggest loss with 3.1 points. ABC dropped only four-tenths in ratings; NBC 1.9 points. Recent programming on the commercial networks included such movies and specials as *Mary Poppins, Close Encounters of the Third Kind, Jacqueline Bouvier Kennedy* and *Skokie*, while the pay networks served up *Ordinary People, The Blue Lagoon* and *Rough Cut*.

A rule of thumb is that networks get their lowest viewership in pay cable homes, their highest in non-cable households. Basic cable homes fall in between. That pattern followed true-to-form in ABC's data. All three networks beat their overall television household ratings for the month in non-cabled households. But the basic cable figure turned up a surprise development for ABC—a decline of 1.5 percentage points in viewing in basic cable homes, compared to pay cable homes.

ABC Entertainment Research Vice President Roy Rothstein expressed little surprise at the network's basic cable figure for the month. "It's not unexpected that CBS and NBC picked up their ratings in basic cable homes, or that we do better in pay homes. We seem to appeal more to major market households, which tend to have pay, than rural areas that take basic cable to increase their reception." Asked whether basic cable networks were more the culprit behind lower ABC ratings than are distant signals, Rothstein added, "We really don't know. But the guess is that the impact of basic networks is not that great."

ABC's basic cable figure did draw a puzzled reaction from NBC's audience research vice president, George Hooper. "The numbers don't make sense," he said. "I can think of no reason why ABC should be lower in basic cable homes. They should be in the mid-range. I'm darned if I can figure it out offhand."

On CBS's end, researcher Ted Kneisler declines to speculate about his network's pay cable performance. "It's hard to say. . . obviously, the shows we had on during the month appeal less to the people with pay."

Commenting on ABC's November 1981 figures, executives at all three networks echoed the philosophy that a bigger base of television households and more competition from independent stations (WTBS included in the latter category by CBS's Kneisler) had more to do with the decline of network prime-time viewing than pay or basic cable programming quality. "There's an increased homes base now. Don't discount that," remarked one ABC official. "A program getting a 28 share in prime time now may have just as many or more homes as a 30 share show one year ago." Added Kneisler, "The competition we're getting is mostly from the independents, particularly the ones penetrating via cable. ESPN, CNN and other basic networks have an audience, but a small one. They usually end up with a one rating, if at all."

Nevertheless, ABC's figures may suggest a confirmation to some industry experts of a gradual downward trend for commercial network ratings in prime time. When the 1981-'82 season started, the three-network share began at 89, and as of early December, had gone down to 81 for one week.

With the season still lacking a solid hit show among the new series, there is talk of dissatisfaction with the networks and increased satisfaction with pay and basic fare. "We can speculate about the reasons for lower network audiences, but we can't prove them one way or the other," claims NBC's Hooper. "At this point, affiliate preemptions for shows like a Billy Graham crusade have a greater effect on the ratings than cable."

—Simon Applebaum

Prime-time network ratings—November 1981

All Television Households		**Pay Cable Households**	
ABC	18.9	ABC	18.5
CBS	18.7	CBS	15.6
NBC	16.3	NBC	14.4
Basic Cable Households		**Non-Cabled Households**	
CBS	18.3	ABC	19.4
ABC	17.0	CBS	19.3
NBC	16.0	NBC	16.9

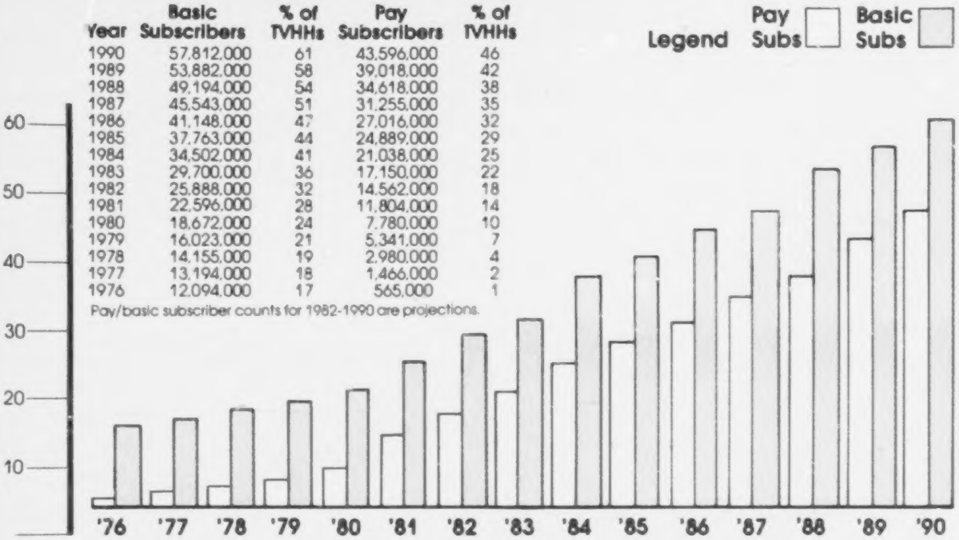
Source: ABC, based on A.C. Nielsen figures.

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections.



Cable barometer

Television households (TVHH) ...	80,700,000
Homes passed by cable (HP)	41,574,977
Percent of TVHH passed by cable	51.52%
Basic cable subscribers	22,596,000
Percent of TVHH with basic cable ..	28.00%
Percent of HP with basic cable ..	54.35%
Pay cable subscribers	11,804,000
Percent of TVHH with pay cable	14.62%
Percent of HP with pay cable	28.39%
Percent of basic subs with pay cable	52.24%

Cable services' subscriber counts—1981 review

Basic Cable Services (television)*	Systems	Homes	% Change In Homes From 11/30/81
WTBS	3,774	17,945,000	+2.28
CBN	3,300	14,700,000	+2.80
ESPN	3,033	13,609,478	+3.30
CNN	1,866	10,668,500	+12.18
C-SPAN	1,200	10,500,000	N.C.
USA Network	1,700	9,500,000	+2.70
BET	804	8,858,774	+1.21
WGN	2,252	7,547,157	+1.94
Nickelodeon/ARTS	1,350**	6,200,000	+7.83
WOR	1,188	4,607,784	+3.53
PTL	418	4,200,000	-2.44
Modern Satellite Network	541	4,100,000	N.C.
SPN (as of 12/15)	383	3,508,364	+3.04
CBS Cable	250	3,000,000	N.C.
SIN	160	2,772,500***	+0.57
AETN	285	2,681,478	N.C.
MTV	300	2,500,000	N.C.
National Jewish Television	71	1,626,825	+0.77
ACSN	204	1,381,304	-3.12
Christian Media Network	180	1,300,000	N.C.
Trinity	140	1,271,562	N.C.
Episcopal Television Network	72	1,047,000	+0.48
North American Newstime	115	884,000	+6.51
CNN 2 (new this month)	N.A.	780,000	N.A.
Eternal Word Television Network	22	300,000	N.C.
National Christian Network	21	299,819	+11.12
Basic Cable Services (audio)*			
WFMT	101	649,093	+5.40
Lifestyle	*30	300,000	N.C.
STV Service (television)*			
SelecTV Programming	9	225,000	N.C.
Pay Cable Services (television)*			
Home Box Office	3,200	8,000,000	N.C.
Showtime	1,300	2,800,000	N.C.
The Movie Channel	1,500	1,750,000	N.C.
Cinemax	400	700,000	N.C.
Escapade	90	185,000	+2.78
Home Theater Network	245	150,000	N.C.
Private Screenings****	11	127,000	N.C.
GalaVision	105	92,000	N.C.
Bravo	25	47,000	+4.44

Announced Satellite-Fed Cable Services	Projected Launch Date
Home Theater Network Plus	3/1/82
Daytime	3/15/82
RCTV/The Entertainment Channel	first quarter 1982
Cable Health Network	first quarter 1982
Satellite News Channels (channel one)	first quarter 1982
National Jazz Network (audio)	first quarter 1982
The Nashville Network	second quarter 1982
Cable Newspaper Corporation	second quarter 1982
UTV Cable Network	second quarter 1982
Kidvid Network	second quarter 1982
ESPN/ABC pay sports service	second quarter 1982
The Weather Channel	second quarter 1982
Home Music Store (audio)	second quarter 1982
Cinemerica	mid-1982
WBLS-TV/Black Music Cable Network (Inner City Unity)	third quarter 1982
Heartbeat Media Network	third quarter 1982
Satellite News Channels (channel two)	fourth quarter 1982
The Disney Channel	first quarter 1983
SPN/international network	second quarter 1984
SPN/financial-religious network	second quarter 1984
SPN/classic movie service	second quarter 1984
SPN/how-to network	second quarter 1984
Las Vegas Entertainment Network	to be announced
The Buena Vista Channel	T.B.A.
Lewmark Productions' Music Channel	T.B.A.
Spanish Universal Network	T.B.A.
Window (independent producers network)	T.B.A.
Video Concert Hall (relaunch)	T.B.A.
Penthouse Entertainment Network	T.B.A.
Times Mirror Shopping Channel	T.B.A.
The Nostalgia Network	T.B.A.
Spotlight (industry-wide launch)	T.B.A.
Family Programming Network (Billy Batts)	T.B.A.

*Satellite-fed services' subscriber counts are as of December 31, 1981, unless noted otherwise.

**In last month's "Cablestats," Nickelodeon/ARTS' systems count was inadvertently listed as 1,500; this month's system count is the correct total.

***Estimated Spanish-speaking households; includes broadcast stations and translators. Total SIN reach: 21,343,490.

****Includes STV outlets.

N.A. designates not available.

N.C. designates no change.

Cable stats

Systems gained in 1981

Basic Cable Services (television)	Systems	% Change From 12/29/80
ESPN	1,735	+133.67
CNN	1,220	+188.85
WTBS	1,123	+42.36
WGN	993	+78.87
WOR	693	+140.00
Nickelodeon/ARTS	675	+100.00
CBN	600	+22.22
USA Network	600	+54.55
C-SPAN	285	+31.15
BET	256	+46.72
PTL	176	+72.73
ACSN	149	+270.91
Modern Satellite Network	145	+36.62
SPN	145	+60.92
SIN	84	+110.53
Trinity	-296	-89.16

Basic Cable Service (audio)

WFMT	61	+152.50

Pay Cable Services (television)

Home Box Office	1,200	+60.00
The Movie Channel	850	+130.77
Cinemax	570	+438.46
Showtime	400	+44.44
Home Theater Network	95	+63.33
GalaVision	61	+138.64

Homes gained in 1981

Basic Cable Services (television)	Homes	% Change From 12/29/80
WTBS	7,551,880	+72.66
CNN	6,601,304	+162.31
ESPN	6,280,150	+85.69
CBN	5,700,000	+63.33
BET	3,625,407	+69.27
C-SPAN	3,500,000	+50.00
USA Network	3,500,000	+58.33
WGN	2,962,278	+64.61
Nickelodeon/ARTS	2,700,000	+77.14
WOR	1,556,784	+51.03
Modern Satellite Network	950,000	+30.16
ACSN	881,304	+176.26
SPN	777,513	+28.47
PTL	400,000	+10.53
SIN	181,900	+7.02
Trinity	-2,478,438	-66.09

Basic Cable Service (audio)

WFMT	317,463	+96.73

Pay Cable Services (television)

Home Box Office	3,000,000	+60.00
Showtime	1,200,000	+75.00
The Movie Channel	1,150,000	+191.67
Cinemax	700,000	N.A.
GalaVision	56,000	+155.56
Home Theater Network	19,000	+14.29

Systems gained in last six months

Basic Cable Services (television)	Systems	% Change From 6/30/81
ESPN	851	+39.00
WTBS	604	+19.05
CNN	596	+46.93
WGN	517	+29.80
CBN	500	+17.86
WOR	329	+38.30
USA Network	275	+19.30
Nickelodeon/ARTS	150	+12.50
SPN	131	+51.98
BET	119	+17.37
PTL	99	+31.03
Trinity	59	+72.84
ACSN	54	+36.00
SIN	54	+50.94
C-SPAN	50	+4.35
Modern Satellite Network	41	+8.20
North American Newstime	41	+55.41
National Jewish Television	33	+86.84
Episcopal Television Network	19	+35.85

Basic Cable Services (audio)	Systems	% Change From 6/30/81
WFMT	35	+53.03
Lifestyle	14	+87.50

Pay Cable Services (television)

HBO	700	+28.00
The Movie Channel	325	+27.66
Showtime	200	+18.18
Home Theater Network	70	+40.00
Cinemax	50	+14.29
GalaVision	17	+19.32
Private Screenings	6	+120.00

Homes gained in last six months

Basic Cable Services (television)	Homes	% Change From 6/30/81
WTBS	5,408,609	+43.14
CNN	3,668,500	+52.41
ESPN	3,065,797	+29.08
CBN	2,900,000	+24.58
C-SPAN	2,400,000	+29.63
BET	1,665,685	+23.16
WGN	1,565,496	+26.17
USA Network	1,500,000	+18.75
Nickelodeon/ARTS	1,450,000	+30.53
WOR	893,913	+24.07
National Jewish Television	764,623	+88.68
SPN	749,089	+27.15
ACSN	484,304	+53.99
Modern Satellite Network	400,000	+10.81
PTL	350,000	+9.09
Trinity	284,562	+28.83
North American Newstime	199,000	+29.05
SIN	98,900	+3.70
Episcopal Television Network	91,000	+9.52

Basic Cable Services (audio)

Lifestyle	224,877	+299.35
WFMT	127,733	+24.50

Pay Cable Services (television)

Home Box Office	2,000,000	+33.33
Showtime	800,000	+40.00
The Movie Channel	650,000	+59.09
Cinemax	200,000	+40.00
Private Screenings	43,500	+52.10
Home Theater Network	20,000	+15.38
GalaVision	15,000	+19.48

Top 25 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	209,000
2	Oyster Bay (Long Island), NY	Cablevision Systems	140,000
3.	Manhattan, NY	ATC	135,000
4	West Orange, NJ	Maclean Hunter	114,626
5.	Los Angeles, CA	Teleprompter	100,000
6.	Wayne, NJ	UA-Columbia	94,937
7.	Tulsa, OK	United Cable	91,113
8.	Erie County, NY	Prime Cable	90,961
9.	San Jose, CA	Gill Industries	86,000
10.	Audubon, NJ	NVT Cable	84,610
11.	Central Islip, NY	Viacom	78,663
12	Tidewater, VA	Cox Cable	78,407
13.	San Antonio, TX	UA-Columbia	74,167
14.	Manhattan, NY	Teleprompter	68,600
15.	Winter Park (Orlando), FL	ATC	68,550
16.	Toledo, OH	Buckeye Cablevision	66,907
17.	Wilmington, DE	Rollins Cablevision	65,600
18.	Austin, TX	ATC	65,295
19.	Seattle, WA	Teleprompter	63,900
20.	Grand Rapids, MI	General Electric Cablevision	63,777
21.	Honolulu, HI	ATC	59,400
22.	San Francisco, CA	Viacom	58,641
23.	Flint, MI	Comcast	57,255
24.	Allentown, PA	Twin County Cable TV	57,000
25.	Santa Barbara, CA	Cox Cable	54,945

- The Supreme Co
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- Don King enters
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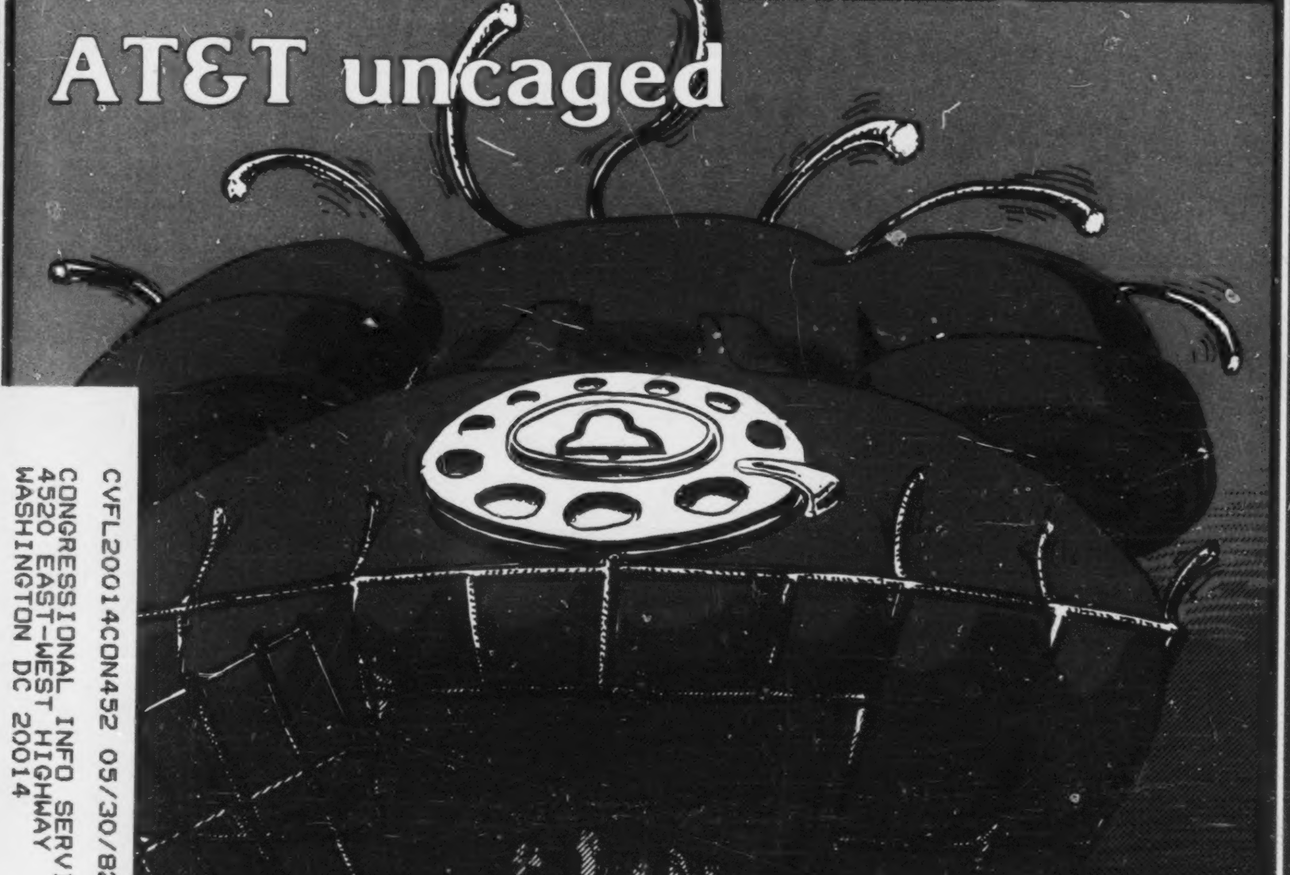
The news and features weekly of the cable television industry

January 25, 1982

AT&T uncaged



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CableVision
AT&T uncaged

Cover story

In what most in Washington, and many around the country, are calling one of the monumental agreements to be made in this century, the Justice Department has unleashed American Telephone and Telegraph Company to develop its own integral role in the shaping of future telecommunications. Washington deputy bureau chief David Price examines what the decision means to cable and to the U.S. **Page 13.**

Leading the week, *Pages 13-18*

Can of worms

In a decision that clouds the future of municipal home rule and monopoly cable television franchising, the U.S. Supreme Court ruled five to three that Boulder, Colorado's cable TV ordinances are not immune from federal antitrust laws. Washington bureau chief Patrick Gushman discusses the issues facing the industry.

A refusal to dismiss

While the cable industry and other officials are buzzing about the potential effects of the AT&T/Justice Department agreement, Washington Judge Harold Greene has refused to dismiss the case that is pending in his court.

A refusal to dismiss

While the cable industry and other officials are buzzing about the potential effects of the AT&T/Justice Department agreement, Washington Judge Harold Greene has refused to dismiss the case that is pending in his court.

Put to rest

With one simple decision, the Supreme Court set up the epitaph for Malrite by refusing to accept a request to review the case.

Entering the ring

Fight promoter Don King, not to be left out of cable and pay-per-view profits, has formed the Don King Sports and Entertainment Network, which will "beam prime-time sporting events, shows and concerts into millions of American homes."

Next target

Industry sources are speculating that 20th Century-Fox Film Corporation will be the next major motion picture studio to strike an exclusive contract with Home Box Office.

Theatrical entertainment

The Entertainment Channel announced its launch date, satellite berth and programming plans at a recent press conference. The "meat and potatoes" of TEC's stage productions will be put together in a venture with RKO/Nederlander. **Page 20.**

Partners north and south

Telidon, Canada's videotex giant, comes up with a 50/50 joint venture with Times Mirror's videotex division, aiming at marketing the product in the U.S. An early test of the operation is tentatively set for March 15. **Page 59.**

This week in *CableVision Plus*

Cable analysts forecast the business outlook for 1982, in a *CableVision Plus* sampling of industry pundits and players. In a related piece, *Plus* takes a look at the franchise flight phenomenon, as MSOs become increasingly discriminating in their franchise applications, with some pulling out of chosen markets. There's wind in the corporate sails at Teleprompter, with changes ahead aired by Bill Bresnan and Chris Derick in a *CV Plus* interview. Pages 35-56.

Pulling out the stops

What a difference a week makes. Since *CableVision*'s reporters put a cap on our Western Show coverage in mid-December, it's been a slow news day for almost a month.

In New York and particularly in Washington, where long holidays are as sacrosanct as the national debt, *CableVision* reporters spent most of the latter part of December and early part of January scrabbling for any piece of news they could get their hands on. Phone messages went unanswered; stories were put on hold.

But then came Friday, January 8, and AT&T and the Justice Department announced the settlement of the long-standing AT&T antitrust suit.

This announcement was followed early the next week by Judge Harold Green's still unresolved attempt to halt the AT&T settlement, the Supreme Court's decision in the Boulder, Colorado/TCI case and the last rites for Malrite.

So, as the staff began the week sorting out all the permutations of the AT&T settlement and atypically competing with the hordes of reporters from the national press for access to the principal players, they soon found themselves saddled not only with the AT&T story, but two other major stories as well.

Meanwhile, the Eastern Seaboard was engulfed in its largest storm of the year and tragedy struck Washington, D.C., further compounding the obstacles confronting the *CableVision* staff.

So, after the holiday slumber, we and the cable television industry at large awakened with a jolt last week. The world is back to making the news again, no question about it. The entire New York and Washington, D.C., *CableVision* bureaus pulled out the stops last week to cover this glut of news. Particular merit, however, goes to Washington staffers Patrick Gushman and David Price, who chased down the stories on AT&T and TCI.

Paul FitzPatrick

CABLE FILE/82

CableFile is the most complete and definitive collection of cable industry data, including 1) Cable Programming Services, 2) Roster of all Members of the Congressional Communications Committee, 3) Explanation of the New Copyright Rates, 4) List of Major Advertising Agencies in the Top 25 U.S. Markets, 5) Cable System Profiles, 6) List of 100 Largest Ranked MSO's and 7) List of 100 Largest Ranked individual systems. . . Plus much, much more.

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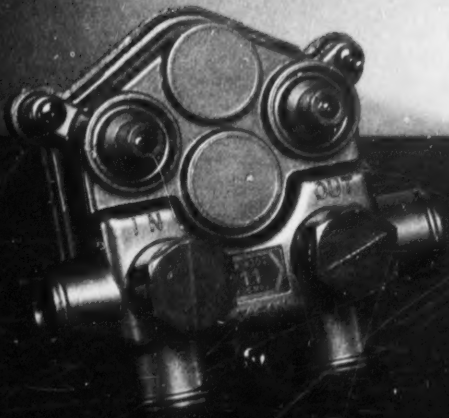

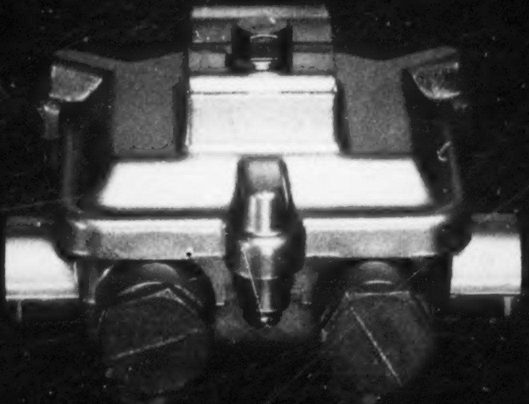

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Launch postponed

CAPE CANAVERAL, FL—The launch of Satcom IV was scrubbed January 14 because of "high, sheer winds in the upper atmosphere." RCA officials said the launch had been rescheduled for the following evening between 8:54 and 9:09 p.m. (EST). According to sources at the scene, the winds had calmed down somewhat on the morning of the rescheduled lift-off, but "we really won't know what the situation is until a couple of hours before the launch." Satcom IV will be hurled into space by a Thor-Delta rocket and will settle into the geosynchronous arc, 22,300 miles over the equator. There are 24 transponders on the bird that will be used to house RCA Americom's Cable Net Two. On January 21, the FCC will meet to decide whether to approve the auction that RCA held two months ago to allocate seven of the satellite's transponders.

Popularity gains

NEW YORK—WTBS and Home Box Office are among the most-liked programming services, Arbitron has found in a survey of viewer response to the eight major programming networks. Data released last week from the Cable Network Report, the first industry study to measure the basic and pay viewing of the largest programming services, revealed that HBO achieved the highest popularity among the services. Among the advertiser-supported networks, WTBS had the majority of programs in the top 20 ranking, earning a 74 cume rating. HBO obtained the highest weekly cume for all services, while WTBS had the highest weekly cume of the six reported services selling advertising. The study reported information for five age and sex categories and three socioeconomic levels, based on a telephone sample of 3,573 completed interviews with subscribers from a national sample of 105 systems. Men, it was found, are the heaviest viewers of USA Network, ESPN and CNN. More information will be released at a later date, Arbitron said, to provide greater insight to the character of both the basic and pay audience.

And now a word from . . .

NEW YORK— ABC now remains the only broadcast network still refusing cable advertising. CBS has joined NBC in accepting advertising from HBO. Six million dollars of HBO's $9 million re-marketing budget has been set aside for national spots in prime-time TV. An HBO spokesman denied rumors that CBS, long-resistent to pay cable advertising, had demanded premiums in order to take on the ads. "We feel we got a fair and equitable price," he said. The strategy of holdout ABC has been explained by ABC Video Vice President in-charge Herb Granath: "We don't sell to HBO for the same reasons we don't sell to NBC or CBS."

Chevys in stereo

NEW YORK—Chevrolet Division of General Motors, trying to woo the youth market corraled by Ford Mustang and others, has discovered The Music Channel. Chevrolet will begin running 90-second commercials in stereo created especially for the network's sound afficianados. All the spots feature the Camaro. Thirty- and 60-second spots have been rotating on the channel since January 11, but the 90-second stereo specials will debut February 1 and will be used to sponsor all the concerts aired during the month. Dave Martin, senior vice president at Campbell-Ewald, the Detroit-based agency which created the spots, describes them as the first automobile advertising done in stereo. "These 90-second spots are forerunners to a longer form of commercial marketing we're planning which matches product with format," said Martin. In order to keep their flexibility over content and sound, Campbell-Ewald is only buying on The Music Channel quarter by quarter. While neither Martin nor Larry Divney, vice president of administration and sales for Warner Amex Satellite Entertainment, would disclose a budget, Divney remarked that if the spots are sold for the rest of the year "it could prove quite a healthy budget." Martin described Chevrolet's commitment as "substantial in the cable industry."

NCAA to dictate cable rights

HOUSTON—A meeting of the National Collegiate Athletic Association ended last week here with the organization receiving support for its bid to control negotiating rights to college football cablecasts and broadcasts. By a vote of 631-to-178, member schools in the association approved a measure to have the telecasting or cablecasting of college football dictated by NCAA bylaws. The NCAA also approved an increase in the membership of its football television committee from 13 to 18 schools. The NCAA is expected to consider proposals from several cable networks (ESPN and USA Network included) at a meeting in Kansas City later this month. The meetings concern possible live coverage of Saturday evening football during the 1982/1983 seasons.

AB 699 plus franchising

LOS ANGELES—California lawmakers are considering what legislation—if any—should follow the state's basic cable TV law, which expires in 1983. Under the old law (AB 699) signed by Governor Jerry Brown two years ago, cable systems which met certain standards, such as providing 20 or more channels or a community service, would be exempt from city or county rate regulation. However, preliminary results of an industry study show only a few companies have taken advantage of the law. In addition, charges of heavy lobbying pressures on local officials in the rush to win potentially lucrative cable franchises has led to talk in Sacramento of adding a franchising section to any extension of the current law. Other proposals for state cable legislation include: mandating a specific number of community channels required for a franchise; putting California's cable television industry under the direction of the state Public Utilities Commission; and restricting what can be shown on cable, particularly in the area of pornography. Another proposal sure to spark controversy involves an attempt to raise the annual franchise fee paid by cable operators to local governments from the three to five percent current levels to seven percent. Two percent of this would be diverted to schools and other public services to alleviate some of California's present fiscal crisis. Spencer Kaitz, president of the California Cable Television Association, said the idea of raising the franchise fees is "ill-conceived and unconstitutional" because it asks a limited number of California cable subscribers to underwrite the needs of the rest of the public. Cable interests would fight such a concept, Kaitz said.

Two-way privacy

ALBANY, NY—New York Attorney General Robert Abrams has proposed a law designed to protect the privacy of two-way cable subscribers. According to Abrams, the two-way cable system poses a threat to personal privacy because of the potential for unauthorized disclosure of confidential information. The cable television operator is being entrusted with details of the subscriber's entertainment and consumer product choices, personal finances, medical history and opinions, Abrams says. "Subscribers must be assured that this information will not be disclosed to third parties or to government authorities without their authorization," Abrams said. The bill requires that cable operators obtain the subscriber's consent before revealing data, tell the subscriber why the information is being released, and describe what is being disclosed. Warner Amex Cable Communications, which pioneered interactive cable in Columbus, and now offers it in Cincinnati, requires a subpoena or court order before it releases subscriber information to government agencies. It also allows subscribers to remove their names from mailing lists to be released to third parties.

New studios for HBO

NEW YORK—Home Box Office has developed a proposal to construct a telecommunications facility near Smithtown, Long Island, at a cost between $10 and $11 million dollars. The facility, to be located in an industrial park two to three miles away from the city, would be the site of a satellite uplink station for HBO and Cinemax, and possibly a production center that may replace HBO's current studios in lower Manhattan. HBO official Bob Mann said a proposal outlining the facility (taking up 12.8 acres of the park) is now before the city's zoning board, which is about to make a decision on an environmental impact study submitted by the service last week. Declining to comment on when the zoning board would approve the plan, Mann claimed the facility could be completed one year after approval. "Much is still in the air regarding overall use of the area," he explained.

National Public Cable Radio?

WASHINGTON—National Public Radio is "likely to become a participant" in cable by offering audio services to supplement FM radio, according to Joshua Koenig, director of NPR's cable study. Although the final report isn't due for another two months, preliminary studies of NPR's proposed plunge into cable look "quite positive," Koenig said. NPR's Board of Directors met late last week in Austin, Texas, to discuss how a proposed takeover of United Press International would effect NPR's plans for cable. Such a takeover could give NPR access to UPI's vast network of correspondents. NPR President Frank Mankiewicz confirmed reports that negotiations are underway. NPR is studying whether it makes sense for it to absorb the financially-troubled wire service. E.W. Scripps, UPI's parent company, has offered to donate the wire service to NPR. Scripps has had UPI on the selling block for the last several years, but has had no takers. Mankiewicz said it will probably be several months before a final decision is made on the Scripps proposal.

Closing the door

BUFFALO, NY—Cablescope and Home Box Office have finally closed the book in the system's HBO/Movie Channel flip-flop. The two sides agreed on a compromise last month that ends the five-month-old battle over Cablescope's decision to replace HBO with The Movie Channel on its first tier. Subscribers can now receive HBO without having to take the entire package of services of which HBO is now a part, Cablescope Vice President Tom Smigelski said.

Construction bids for STC

WASHINGTON—Satellite Television Corporation has asked five satellite manufacturers to submit bids for construction of the two high-powered satellites needed for its proposed direct broadcast satellite service. The request for proposal encompasses six areas including specifications, test and product assurance programs, and other contract requirements. The construction program is expected to take more than three years with the service slated to begin in late 1985 or early 1986, if FCC approval is granted. Each spacecraft will have three operating transponders with a radio frequency output power of approximately 200 watts. The birds are expected to provide at least 1,700 watts of prime power so the signal can be received by small receiving antennas, generally 2.5 feet in diameter. STC sent the RFPs to Ford Aerospace and Communications Corporation, General Electric Company, Hughes Aircraft Company, RCA Astro-Electronics, and the TRW Systems Group. All proposals are due at STC by April 1982.

PRISM picks up fights/systems

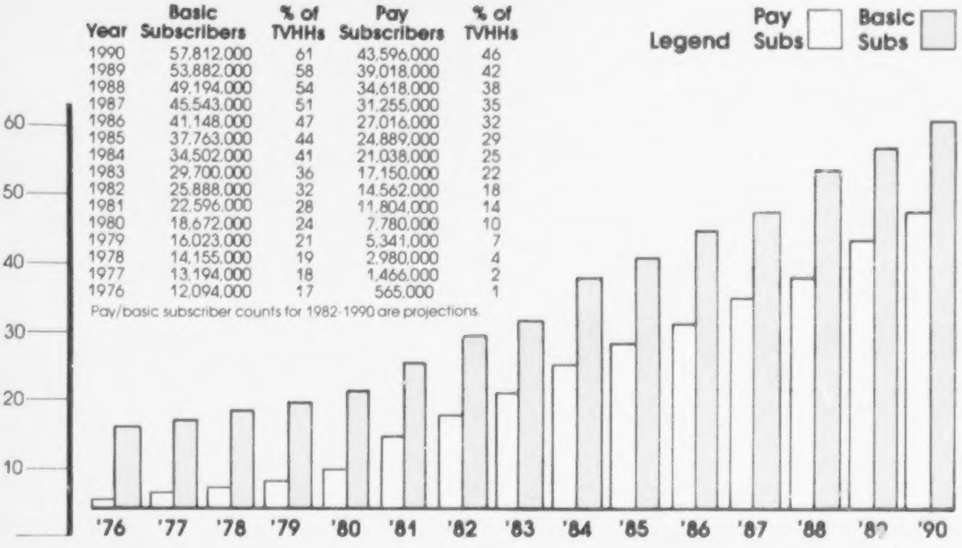
BOSTON—PRISM/New England, the 24-hour regional sports, movies and entertainment network, has announced an agreement with Main Events, Inc., to produce boxing events on its premium pay channel. The first event is set for January 29, with two more programs scheduled for cablecast by the end of June. A monthly schedule of boxing is expected to begin this summer. In addition, the service has been picked up by eight systems in the area, with 17 more expected to turn on by the end of next month.

Sony appeals Betamax ruling

LOS ANGELES—Sony Corporation of America has announced that it will appeal the Ninth Circuit U.S. District Court of Appeals' ruling which maintains that off-air recording of copyrighted television programs infringes on copyright law. Previously, Sony had requested an *en banc* review that would have required at least 11 of the 23 Ninth Circuit judges to reconsider that ruling. The request was denied early last week. Sony said that it will take the appeal immediately to the Supreme Court in order to protect what Sony called "the consumer's right to use home video equipment to freely record programs transmitted over-the-air."

How Showtime can increase your HBO subscriber life.

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections.

Cable barometer

Television households (TVHH)	80,700,000
Homes passed by cable (HP)	41,574,977
Percent of TVHH passed by cable	51.52%
Basic cable subscribers	22,596,000
Percent of TVHH with basic cable	28.00%
Percent of HP with basic cable	54.35%
Pay cable subscribers	11,804,000
Percent of TVHH with pay cable	14.62%
Percent of HP with pay cable	28.39%
Percent of basic subs with pay cable	52.24%

National cable advertising

This chart lists national advertising sales by the basic cable networks during December 1981.

Network/client	Status
BET	
Amtrak	Renewal
Anheuser-Busch	Renewal
Carson Products	Renewal
General Mills	New client
North Carolina Mutual	Renewal
Pepsico	Renewal
Sears	Renewal
U.S. Army	Renewal
U.S. Navy	Renewal
CNN	
Aloe Nature	Renewal
Boise Cascade	Renewal
Bristol-Myers	Renewal
Colgate-Palmolive	New client
CPC International	Renewal
Ford	Renewal
General Foods	Renewal
General Mills	Renewal
Gillette	Renewal
Home Box Office	Renewal
ITT (Hartford Insurance)	Renewal
Mushroom Shoes	Renewal
Nabisco	Renewal
Oxfam America	New client*
Schering-Plough	Renewal
Shell Oil	Renewal
Video Magazine	New client*
Wrigley's	Renewal
CBS Cable	
Bolla Wines	New client
Christian Media Network	
Keenan and Cleary	Renewal
ESPN	
Cartier Watches	New client*
Eastman Kodak	Renewal
Exxon	Renewal
Home Box Office	Renewal
Kellogg's	New client
Marriott Hotels	Renewal
Mattel	Renewal
Miles Labs	New client
Noxell	Renewal
Owens-Corning	Renewal
Red Carpet Inns	New client
Tampax	New client
U.S. Postal Service	New client
Warner Communications	Renewal
MSN	
Schwinn	New client
Schering-Plough	New client
Sears	New client
SPN	
Aer Lingus	Renewal
American Express	Renewal
American Tourister	New client
Attenzione magazine	Renewal
Avon Books	Renewal
Bord Failpe	New client*
Business Week magazine	New client
CIE Tours	Renewal
Cusinart	Renewal
Diamond International Investment	New client
Dow Jones (Barron's)	New client
Dow Jones (Wall St. Journal)	Renewal
Eastman Kodak	Renewal
Estee Lauder	Renewal
Exxon	Renewal
Geoffrey Beene	New client*
Guiness Brewers	Renewal
HBO/Time-Life	Renewal
Il Progresso	Renewal
Irish Tourist Board	Renewal
London Air Lines	New client*
Newsweek	Renewal
Nautilus Health	Renewal
Peugeot	New client
Pierre Cardin	New client
Playboy magazine	New client
Polyglycoat	New client*
The Sporting News	Renewal
Travel Holiday magazine	Renewal
Urban General	Renewal
Zales	Renewal
SIN	
Proctor & Gamble	Renewal
Warner Communications	New client
TeleFrance USA	
Club Med	New client*
Chanel	Renewal
Exxon	Renewal
USA Network	
Ford	Renewal
General Motors (Chevrolet)	New client
Home Box Office	Renewal
Levi Strauss	Renewal
Miles Labs	New client
Schefflin & Co.	Renewal
20th Century-Fox	Renewal
Warner Communications	Renewal
Z-Brick	Renewal
WTBS	
American Home Products	Renewal
Campbell Soup	Renewal
Corn Products	Renewal
Dow Chemical	Renewal
General Foods	Renewal
Hershey Foods	Renewal
Hormel	New client
Johnson & Johnson	Renewal
K-Mart	Renewal
Kellogg's	Renewal
Lever Brothers	Renewal
National Enquirer	New client
Nestle	Renewal
Rochdale Press	New client*
Sears	Renewal
Stride-Rite	Renewal
HBO/Time-Life	Renewal
Xerox	New client

*New to network advertising.

Satellite line up

Satcom IIIR (RCA Americom)

	Transponder
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAL, Dow Jones)	3
Inoperative	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO owned, presently not working	13
Cable News Network	14
Warner Amex owned (for CNN II)	15
Showtime, ACSN, National Jewish Television, AETN, Compact Video (4:00 p.m. to 4:00 a.m.)	16
Showtime (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
United Video (7:00 a.m. to noon), Times Mirror (Spotlight, noon to 7:00 a.m.)	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network during early evening)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV—Projected launch January 12, 1982, 24 transponders, 4/6 GHz
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Comstar D-2 (AT&T/GTE)

	Transponder
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Westar III (Western Union)

	Transponder
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Robert Wold Company/Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word Television Network/occasional video services	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz.Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Franchising in the top 50

Rank	**Market**	**Status of Core City**
1.	New York	Manhattan-OP/four unwired boroughs-FP
2.	Los Angeles	City is divided into seven parts (1 OP/3 FG/3 FP)
3.	Chicago	BP
4.	Philadelphia	City is divided into four parts (1 OP/3 FP)
5.	San Francisco	OP (system to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas-Ft. Worth	FG-one for each city
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/	FP
14.	St. Louis	BP
15.	Seattle/Tacoma	City is divided into four parts (2 OP/1 FC/1 BP)/ Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/ St. Petersburg	BP/OP
19.	Baltimore	BP
20.	Denver	FP
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/ Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into two parts (1 OP/1 FG)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/ New Bedford	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FC
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/Battle Creek/Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/ Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	OP
43.	Charleston/ Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/ Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/ Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/ Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Legend:
OP—operational
FG—franchise granted
FP—franchise pending
BP—beginning process
LNA—little or no action

· Based on chart from the National Cable Television Association report on cable franchising, using Arbitron's designated market areas

- Coke to quen
- Cable clients
- The Nashville Network adds country flavor to cable
- Industry responds to cross-ownership issue

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On the cover

Playboy had its debut last Friday on Escapade, beginning the eventual transformation to The Playboy Channel. The service, despite resistance from some operators, moves ahead with "cautious optimism." Playboy/Escapade is presently carried on Comstar D-2, transponder 4V. On the cover of *CableVision* this week are comedian Andy Kaufman and September 1981 Playmate Susan Smith, weighing in before their televised wrestling match. Photo courtesy of Playboy Productions, Inc.

Leading the week

Pages 13-16

On the lookout

Finding the right agency keeps cable clients on a bumpy ride. More and more services are changing agencies.

Movies and a smile

Coca-Cola's recent acquisition of Columbia Pictures opens more sources of revenue to the motion picture company that could be used to expand into cable.

Few surprises

The comments are in on the FCC's move to ease the cross-ownership restriction. Most of the respondents walked the party line.

Country cable

The long-rumored formation of the Nashville Network finally became a reality last week when Group W Satellite Communications and NLT Corporation, through its Opryland Productions division, announced plans to produce the network. The Nashville Network will be an advertiser-supported satellite-delivered country music channel. **Page 22.**

Cable stats

Arbitron's recently released *Network Cable Report* has given the cable industry its first viewership study of eight pay and basic satellite services, including HBO, Showtime, WTBS, Christian Broadcast Network and four others. **Page 26.**

Not a sleeper

With superstation WOR boasting a record 300 percent increase in 1981, some of the credit for the success has to go to its common carrier, Eastern Microwave. In fact, WOR has done much for Eastern's growth and future plans. **Page 51.**

An Opryland Productions cameraman gets in position for a shot during the broadcast of a country music special from the Grand Ole Opry House. The famous country music center will be available for productions to be run on the Nashville Network.

This week in *CableVision Plus*

This week, *CableVision Plus* takes a look at a new generation of pay networks. How has the cable environment changed since HBO [illegible] territory? [illegible] cable is [illegible]. Finally, the great debate on broadcast coverage [illegible] proceedings is explored. **Pages 27-50.**

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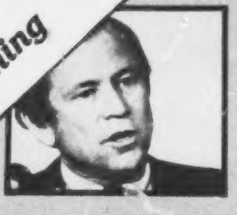
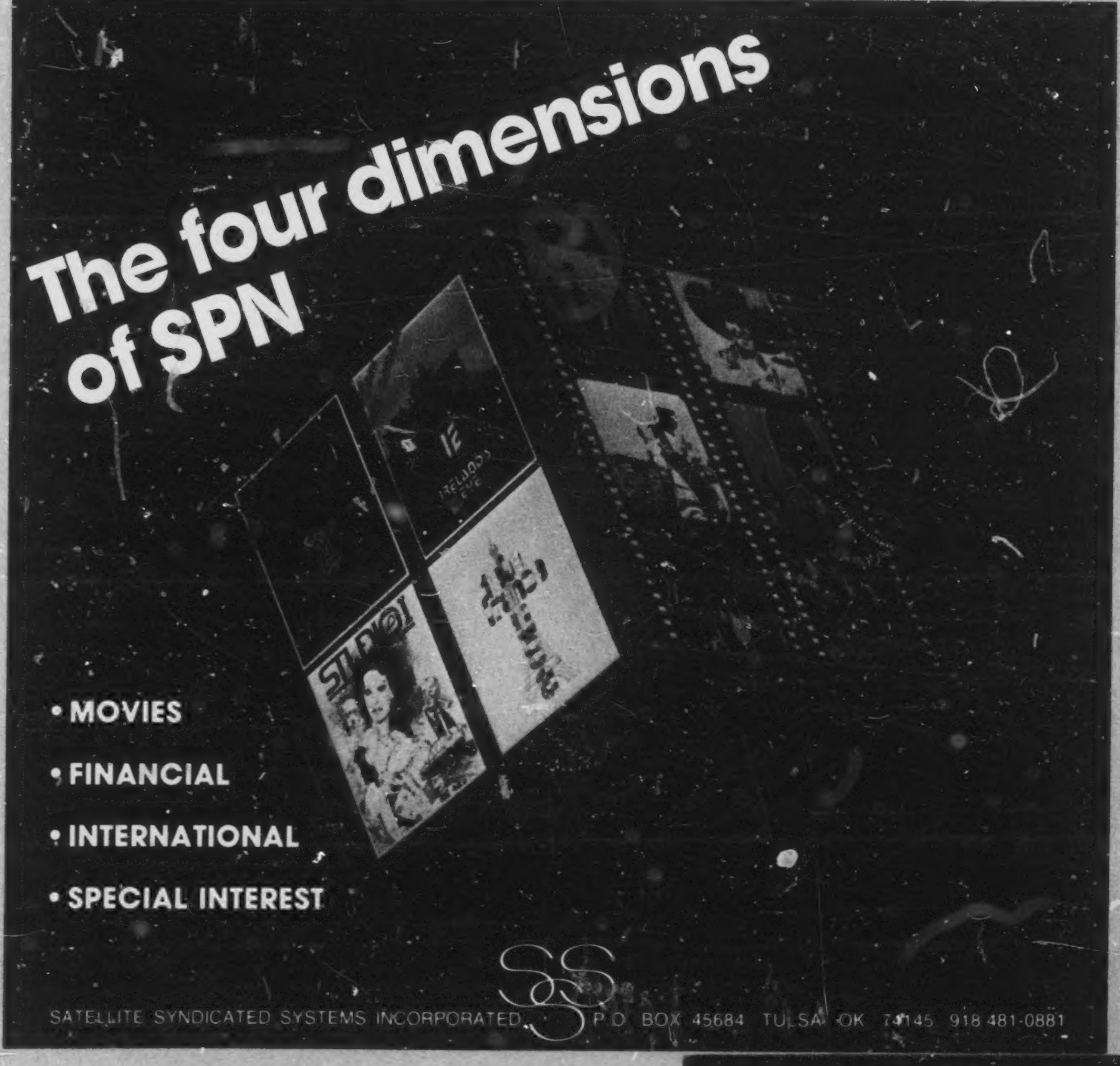


- Emerging pay networks make their mark, p. 4
- Channel abundance alters viewer habits, p. 16
- Senate television debate continues, p.21

CableVision™

A weekly feature supplement
Vol. 1 No. 3



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February 1, 1982

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Cumulative results

Arbitron's "Network Cable Report" draws several different reactions from ad agencies

NEW YORK—The Arbitron Company's *Network Cable Report*, the cable industry's first viewership study of eight pay and basic satellite programming services, is meeting with mixed reviews among several advertising agencies which bought the research.

The study, which was released January 14, used aided recall telephone sampling of homes which could receive a given service. Several agencies are not satisfied with telephone sampling in video research, especially if recall is assisted. While most of the agencies contacted by *CableVision* said they were not satisfied with the methodology, they did note that information contained in the study was new and useful.

"It's a start," said Ron Thomas, media research director for McCaffrey and McCall. "They do have some individual program data which we didn't have before. The methodology leaves much to be desired, but it's a handle."

Betsy Frank, associate media research director for Dancer Fitzgerald Sample, Inc., said, "I find it a valuable tool for making some comparative evaluations, but I'm certainly not going to base any audience projections on it." She added, "I don't think we're at the point in cable research where we can rule out any methodology."

Gene Huber, a media researcher for Doyle Dane Bernbach, Inc., said his agency supports the Arbitron effort, but he noted, "we would favor the meter as the best tool for measuring household ratings."

A cable specialist at one of the "superagencies," who would not give his name, sharply criticized the study's methodology and contended that the viewership levels it indicates are 50 percent to 200 percent inflated. He maintained that his comparison of Arbitron's numbers with those generated by the Nielsen Television Index concerning viewership of WTBS showed a difference approximating 60 percent, with Arbitron's numbers higher. He said his agency does not encourage telephone sampling in broadcast research and he decried the use of aided recall, which he said nearly always generates inflated numbers.

Pierre Megroz, Arbitron's marketing director, pointed out that the study was based on a relatively large sample of 3,500 telephone calls. He called the methodology "an accepted way of trying to get pieces of information from people who may have trouble remembering." Megroz added, "This was our first shot at trying to give a relative positioning of one cable-originated service to another, and it's a pretty definitive piece of research." He also noted that 45 major advertisers and agencies have purchased the study.

The report does provide some insight into the viewing habits of the cable service. As might be expected, HBO and Showtime were the most heavily watched of the services surveyed. HBO emerged as the most watched, according to the weekly cume ratings among adults 18-plus with Showtime, WTBS and CNN following.

The two movie services had cume ratings which were substantially higher than WTBS and the advertiser-supported networks during all time periods. In prime time, both HBO and Showtime had cumes consistently in the 20's and 30's, even reaching 40 in some cases, while TBS and the other basic networks had high cumes of 14 to 15. And during the early and late fringe hours, HBO and Showtime had cumes that were substantially higher than all other services, although viewership was smaller for all services during those periods.

There was a marked difference between viewership during the prime-time hours and other parts of the day. ESPN, for example, which showed cumes of two, three and four during the day, obtained cumes of ten to 12 at night. Showtime dramatically increased its viewership during prime time, jumping from a cume of six for a 10 a.m. movie showing to a 28 cume for its 8 p.m. movie. The only exception was CNN, which received cumes of eight and nine for its weekday morning newscasts, similar to the ratings it received for news during prime time.

The size of the cable audience drops sharply in the late evening. Only HBO and Showtime had audiences after 11 p.m. with cumes ranging from ten to 29, while other services' dropped to one, two and three.

Of the advertiser-supported networks, CNN has the largest audience, according to the report, receiving a cume of 40, compared with 32 for ESPN and a 28 for USA.

These networks, however, did not have nearly the audience that WTBS showed. Arbitron's report revealed that WTBS was much stronger than all the services throughout the day. The superstation's movies and old syndicated shows such as *Leave it to Beaver* and *Gomer Pyle* garnered higher cumes than much of the original cable programming. Its weekday cume for a 6 p.m. showing of *Gomer Pyle*, for example, received a ten and 11 while USA's *Calliope*, and CNN news had cumes of three and six.

Movies, sports and syndicated programs, according to the report, are what cable audiences are watching. Those networks which offer such fare would seem to be the favorites of the cable viewers, with audiences much larger than networks attempting to do more original programming.

—Karen Bloom, William Gloede

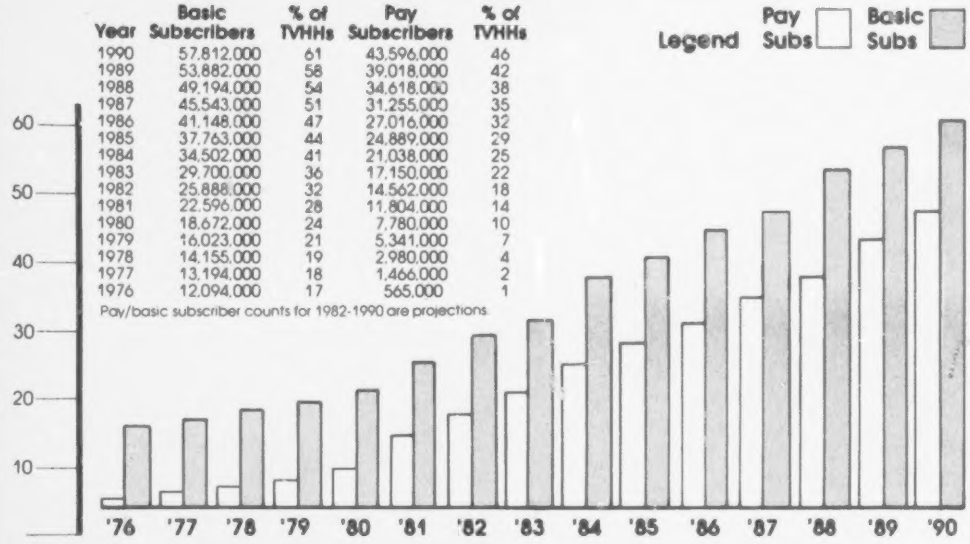
Weekly cume ratings

This chart lists Arbitron's weekly cume ratings of eight satellite-delivered program services.

	ADULTS 18+	MEN 18+	WOMEN 18+	ADULTS 18-34	ADULTS 25-34
CNN	57	61	53	55	55
CBN	30	26	33	24	28
ESPN	48	61	36	53	49
HBO	91	92	90	94	93
SHOW	87	89	86	93	90
SPN	35	34	35	39	35
USA	42	48	36	47	42
WTBS	68	72	64	74	69

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections.

Cable barometer

Television households (TVHH) . . . 80,700,000
Homes passed by cable (HP) 41,574,977
Percent of TVHH passed by cable 51.52%
Basic cable subscribers 22,596,000
Percent of TVHH with basic cable : . 28.00%
Percent of HP with basic cable . . 54.35%
Pay cable subscribers 11,804,000
Percent of TVHH with pay cable 14.62%
Percent of HP with pay cable 28.39%
Percent of basic subs with pay cable 52.24%

Film product comparison

Film	Networks					Distributor
A Night Full of Rain					C	Warner Bros
Airplane	(HBO)	(ST)	TMC*	(HTN)		Paramount
All Night Long	HBO		TMC			Universal
All Screwed Up	HBO					New Line Cinema
All That Jazz	(HBO)	(ST)	TMC*			20th Century-Fox
Altered States	HBO	ST	(TMC)			Warner Bros
The Amazing Adventures of Joe 90		ST*				ITC
Animal Crackers					C	Universal
Apocalypse Now	(HBO)	(ST)	TMC			United Artists (UA)
The Apple			TMC*			Swank
Ask Any Girl		ST*			(C)	MGM
The Asphalt Jungle					C	MGM
The Awakening		ST	(TMC)			Warner Bros
Back Roads	(HBO)	ST*	TMC*			CBS
Bananas					C*	UA
Barnaby and Me		ST*				Simcom
The Battle of Algiers					C*	World Northal
The Black Hole	HBO		TMC	HTN		Disney/Buena Vista
The Black Stallion	(HBO)	(ST)	TMC*	(HTN)		UA
Blow-Up		ST				MGM
Bon Voyage, Charlie Brown	(HBO)	ST*	TMC*	(HTN)		Paramount
Borderline	HBO					AFD
Breaker Morant	HBO*	ST*	(TMC)			New World
Bronco Billy	HBO		(TMC)	HTN*		Warner Bros
Caddyshack	(HBO)	ST*	(TMC)			Warner Bros
Carny	HBO	(ST)	(TMC)			Lorimar
Cat and the Canary					C*	Universal
The Changeling					C	Chessman Park
Cheech and Chong's Next Movie	HBO*					Universal
Charlie Chan and the Curse of the Dragon Queen	HBO					American Comm
Cleopatra Jones					C	Warner Bros
The Competition	HBO	ST	TMC			Columbia
Day for Night					C*	Warner Bros
Days of Fury		ST			C*	Picturemedia
Death Car on the Freeway					C*	HBO
Diary of a Teenage Hitchhiker					C	HBO
The Dogs of War			TMC			UA
Dona Flor and Her Two Husbands		ST*	(TMC)			Columbia
Dressed To Kill			TMC*		(C)	Filmways
Duncan's World					C*	Best Film and Video
The Elephant Man	HBO*	ST*	(TMC)	HTN*		Paramount
Elvis			TMC	(HTN)		Worldvision
Escape from Alcatraz	HBO	ST		HTN*		Paramount
Everything You've Always Wanted To Know About Sex But Were Afraid To Ask			(TMC)		C	UA
The Evictors	HBO		(TMC)			Filmways
Eyes of a Stranger	HBO					Warner Bros
Fatso	(HBO)	ST*	TMC			20th Century-Fox
The First Deadly Sin					C	First Deadly Sin Co
The First Family		ST	(TMC)			Warner Bros
Five Fingers of Death					C	Warner Bros
Fort Apache, the Bronx	HBO					HBO
Friday the 13th	HBO*	(ST)	(TMC)			Paramount
The Frisco Kid					C*	Warner Bros
From Hell to Victory	(HBO)		(TMC)	HTN		Worldvision
The Funhouse	HBO		TMC			Universal
Galaxina		ST	(TMC)			Crown International
Games Girls Play					C	Simcom
Happy Birthday, Gemini			TMC		(C)	UA
Hawk the Slayer		ST*			(C)	ITC
The Hellstrom Chronicles					C	HBO
Holy Terror	HBO					Lorimar
Home Movies			TMC			SMA Entertainment
Honeysuckle Rose	HBO*					Warner Bros
Hopscotch	(HBO)	ST	(TMC)			Viacom
Hot T-Shirts		ST				Swank
The House of the Seven Hawks					C*	MGM
The Howling			(TMC)		C	Wescom
The Idolmaker	HBO				(C)	UA
Improper Channels	HBO*		(TMC)	HTN		Crown International
The Incredible Shrinking Woman	HBO*	ST	(TMC)			Universal
Inglorious Bastards	HBO					Alive Entertainment
The Jazz Singer	HBO*					EMI/AFD
Journey Back to Oz		ST*				Columbia
King Solomon's Mines		ST*			(C)	MGM
Klondike Fever					C*	HBO
La Cage Aux Folles II			TMC			UA
The Lady Vanishes				HTN*	(C)	Rank
The Last Hunt		ST				MGM
Libel		(ST)			C*	MGM
The Loved One		ST				MGM
Lolita		ST				MGM
Mahogany			TMC			Paramount
The Man Who Saw Tomorrow	HBO		TMC			Warner Bros
Massacre at Central High			(TMC)		C	Viacom
Mean Streets			TMC			Warner Bros
Melvin and Howard		ST	TMC*		C*	Universal
Mister Buddwing					C	MGM

Cable stats

Film	Networks					Distributor
Modern Romance	HBO		TMC			Columbia
Mogambo	(HBO)	ST				MGM
Motel Hell			TMC		(C)	UA
My Bloody Valentine			TMC			Paramount
My Bodyguard	HBO*	(ST)	(TMC)	(HTN)	(C)	20th Century-Fox
My Brilliant Career		(ST)	(TMC)	HTN		Analysis
The Night Porter					C*	Joseph E. Levine
Nijinsky			TMC			Paramount
North by Northwest		ST				MGM
Oh, God! Book II			(TMC)	(HTN)	C	Warner Bros
On the Town		ST*			(C)	MGM
One Trick Pony		ST	TMC			Warner Bros
The Other Side of the Mountain, Part II					C	Universal
Papillon	HBO*					Lorimar
The Password is Courage					C	MGM
Performance					C*	Warner Bros
Phobia	(HBO)	ST			C	Paramount
The Pinchliffe Grand Prix	HBO*		(TMC)			OGC
Popeye	HBO*	ST	TMC	HTN		Paramount
Portnoy's Complaint					C*	Warner Bros
Power Play	HBO*					Magnum Intl
Raging Bull	HBO	ST	TMC			UA
Resurrection	HBO*	(ST)		(HTN)	(C)	Universal
The Return	HBO*		TMC			G.F.M. Ltd
Return Engagement					C	HBO
The Return of a Man Called Horse			TMC			UA
Rockshow		ST			C	Miramax
Salem's Lot: The Movie		ST	(TMC)			Warner Bros
Savage Weekend		ST				Swank
Sayonara					C	Samuel Goldwyn Co
Scanners	HBO*					Avco Embassy
Scarface					C*	Universal
Seems Like Old Times	(HBO)	(ST)	TMC*	(HTN)		Columbia
Seven Women					C	MGM
Shaolin Hand Luck			TMC			World Northal
The Shining		ST*	(TMC)			Warner Bros
The Shogun Warrior-Grandizer		ST				Blum Group
Shoot the Piano Player					C	Janus
Shoot the Sun Down					C	Gold Key
Sidney Sheldon's Bloodline	HBO*					Paramount
Simon	HBO	(ST)	(TMC)			Warner Bros
Smokey and the Bandit II		ST	(TMC)	(HTN)		Universal
Snowball Express	(HBO)	ST	(TMC)	HTN		Disney/Buena Vista
Sounder, Part II					C	HBO
Sphinx	HBO		TMC			Warner Bros
Stories from a Flying Trunk					C	HBO
The Stud		ST*				Brent Walker
Superdome			(TMC)		C*	HBO
Sweet Sugar		ST*				Swank
Tess			TMC		C	Columbia
The Tenth Month	HBO					HBO
This is Elvis	HBO		TMC			Warner Bros
Thunderbirds in Outer Space		ST				ITC
Thunderbirds to the Rescue		(ST)			C*	ITC
Tribute	HBO					Kudos Films
Tribute to a Bad Man		ST				MGM
Trilogy	HBO	(ST)				Viacom
Two Weeks in Another Town		ST				MGM
Up River		ST	(TMC)			Gold Key
Urban Cowboy	(HBO)		(TMC)	HTN*		Paramount
Viva Las Vegas			TMC			MGM
The Way We Were	HBO	ST	TMC			Columbia
The Wild Child					C	UA
Which Way is Up?					C	Universal
The World's Greatest Athlete	(HBO)			HTN*		Disney/Buena Vista
Zulu Dawn	HBO*					Zulu Dawn Company

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network
C—Cinemax

■ Networks in parentheses indicate carriage in September, October, November, December and/or January.

■ An asterisk following a network indicates the film is a carry-over from September, October, November, December and/or January.

■ In total, 153 films appear on the February schedules of HBO, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles during the last six months (September-December 1981, January 1982), one title ("My Bodyguard") has appeared on all five networks, eight titles have appeared on four networks, 26 on three and 39 on two networks. Seventy-nine films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is Warner Brothers with 23, followed by MGM with 18 (same as last month). Universal, Paramount and United Artists chipped in 12 films apiece.

■ Robert DeNiro's Oscar-winning role in "Raging Bull" takes center ring this month on the program guide covers of Showtime, The Movie Channel and Cinemax. Showtime also placed Scott Baio and "Gemini" in the ring, with Cinemax accommodating "Tess," "Ft. Apache, the Bronx" (HBO's cover movie this month) and Simon and Garfunkel's Central Park concert last fall. Leave it to Home Theater Network to come up with a different drummer on the program guide (January-February): Robin Williams as Popeye.

Top 20 cable MSOs

Rank	Multiple System Operator	Subscribers
1.	American Television and Communications	1,750,000
2.	Teleprompter/Westinghouse	1,639,990
3.	Tele-Communications, Inc.	1,277,000 (3/81)
4.	Cox Cable Communications	1,098,663
5.	Warner Amex Cable Communications, Inc.	850,000
5.	Storer Cable Communications	850,000
7.	Times Mirror	667,497
8.	Newhouse Broadcasting*	528,981 (9/81)
9.	Viacom Cablevision**	526,004
10.	UA-Columbia Cablevision	496,121
11.	United Cable Television	455,018
12.	Continental Cablevision	449,547
13.	Sammons Communications	443,708
14.	TeleCable Corporation	295,500
15.	Cablecom General/Cap. Cities	289,739
16.	General Electric Cablevision	287,000
17.	Heritage Communications	238,451
18.	Comcast Corporation	212,677
19.	Liberty Communications	208,298 (9/81)
20.	Cablevision Systems Development	206,000 (9/81)

Note: Subscriber counts are as of December 1981 unless otherwise noted.
* includes NewChannels, MetroVision, and VisionCable
** includes 40 percent ownership in Nor-Cal Cable

Top 20 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	210,590
2.	Oyster Bay (Long Island), NY	Cablevision Systems	140,000 (9/81)
3.	Manhattan, NY	ATC	128,350 (6/81)
4.	West Orange, NJ	Maclean Hunter	114,626 (8/81)
5.	Los Angeles, CA	Teleprompter	103,500
6.	Wayne, NJ	UA-Columbia	100,365
7.	Tulsa, OK	United Cable	96,668
8.	Erie County, NY	Prime Cable	92,778
9.	Austin, TX	ATC	90,000 (9/81)
10.	San Jose, CA	Gill Industries	89,175
11.	San Antonio, TX	UA-Columbia	85,475
12.	Audubon, NJ	NYT Cable	84,610
13.	Tidewater, VA	Cox Cable	80,559
14.	Central Islip, NY	Viacom	80,291
15.	Manhattan, NY	Teleprompter	69,800
16.	Toledo, OH	Buckeye Cablevision	68,405
17.	Orlando, FL	ATC	68,350 (6/81)
18.	Wilmington, DE	Rollins Cablevision	68,038
19.	Grand Rapids, MI	General Electric Cablevision	67,900
20.	Seattle, WA	Teleprompter	67,100

Note: Subscriber counts are as of December 1981 unless otherwise noted.

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SOTHEBY'S

- RCA transponder auction slapped down
- NCAA awards exclusive contract to Turner
- Warner unveils new privacy code
- NLC launches new attack on cable

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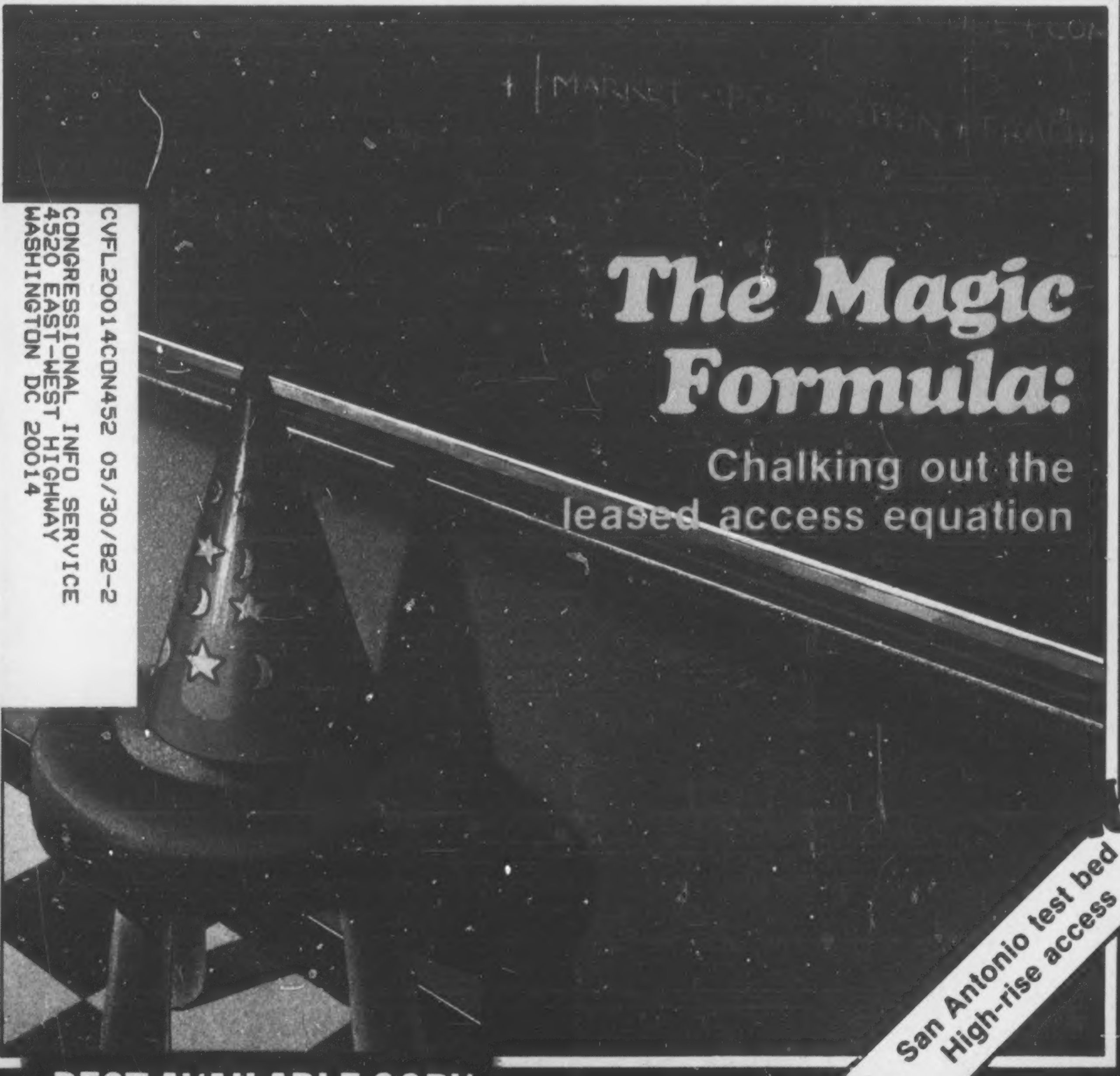
CableVision

The news and features weekly of the cable television industry
Feburary 8, 1982



The Magic Formula:

Chalking out the leased access equation

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High-rise access

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CableVision
The Magic Formula:

On the cover

Cable operators are beginning to think the only solution to the leased channel debate is magic. Elements in the equation range from philosophical debates over First Amendment issues to decisions on how to increase revenues. David Price explores that issue in *CableVision Plus* and includes a sampling of opinions from key people in the cable industry. Graphic by J. Arthur Kenefick.

Leading the week

Pages 13-18

FCC vs. RCA

The Federal Communications Commission denied RCA's bid for approval of its transponder auction. At the same time, the commission began the process to approve out right transponder sales.

Just for Turner

The National Collegiate Athletic Association has granted WTBS an exclusive contract for live coverage of football games during the next two years. That contract begins this fall.

Round two

The National League of Cities is proposing legislation that defines cable television as a common carrier. The battle lines are taking shape for what is expected to be a long-running struggle.

Tight squeeze

Space is at a premium on Manhattan's cable systems, but room has been made for Cinemax and ARTS on Manhattan Cable and HBO on Teleprompter. Daytime grabbed space on both systems. **Page 27.**

Returning to cable

The bumpy roads in business are well traveled and no company knows that better than Acton Corporation. The firm was founded in the cable business then turned down the road to snack foods and is now back on the cable highway. **Page 55.**

AT&T Chairman Charles Brown

Under microscope

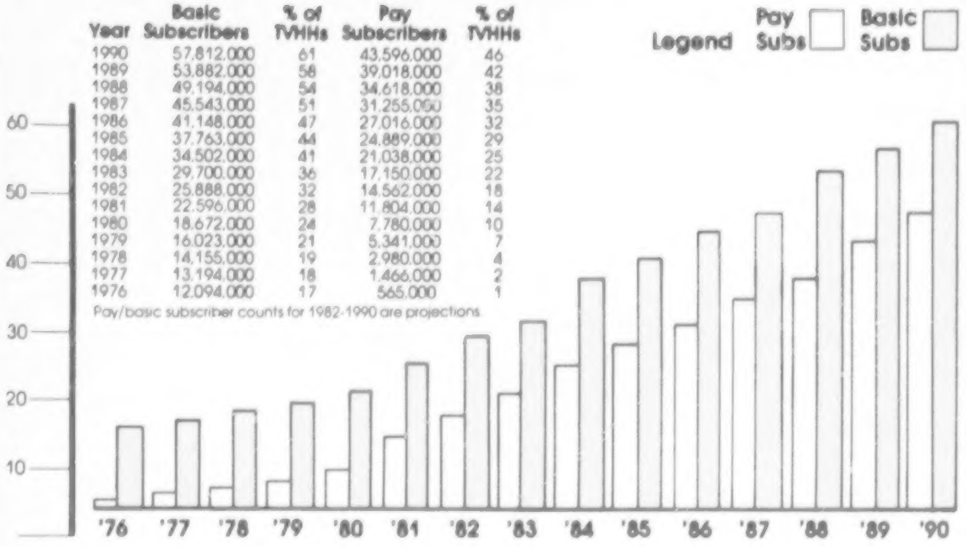
Several Congressional subcommittees are scrutinizing the recently announced accord between AT&T and the Justice Department. That agreement has not made everyone happy and some tough questions were directed at AT&T Chairman Charles Brown. **Page 65.**

This week in *CableVision Plus*

Cable operators continue to puzzle over the multiple variables that compose the channel leasing equation. Is there a magic formula that will end the quest? A second search climbs upward, as operators seek access to high-rise buildings, with complications on every rung of the ladder. In a system profile, Rogers-UA's San Antonio system is revealed as a living laboratory in which to test service and marketing combinations. **Pages 31-54.**

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
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Pay/basic subscriber counts for 1982-1990 are projections.

Cable barometer

Television households (TVHH)	80,700,000
Homes passed by cable (HP)	41,574,977
Percent of TVHH passed by cable	51.52%
Basic cable subscribers	22,596,000
Percent of TVHH with basic cable	28.00%
Percent of HP with basic cable	54.35%
Pay cable subscribers	11,804,000
Percent of TVHH with pay cable	14.62%
Percent of HP with pay cable	28.39%
Percent of basic subs with pay cable	52.24%

Satellite line up

Satcom IIIR (RCA Americom)	Transponder
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, JISAI, Dow Jones)	3
Times Mirror for Spotlight	4
Warner Amex for The Movie Channel	5
Southern Satellite Systems (WTBS, Cabletext, North American Newstime, Reuters NewsView)	6
ESPN	7
Christian Broadcasting Network, AETN	8
USA Network, C-SPAN, Black Entertainment Television	9
Showtime (west)	10
Warner Amex for MTV	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex for CNN2	15
ACSN, National Jewish Television	16
Showtime, used by WOR	17
Reuters, GalaVision (nights)	18
Open	19
HBO (Cinemax-west)	20
Landmark (Home Theater Network, Preview)	21
HBO (west), Modern Satellite Network, leased for Daytime Jan. '82	22
HBO (Cinemax-east)	23

Satcom IV—Launched January 22, slated to be operational in March, 24 transponders, 4/6 GHz
Satcom V—Projected launch, Mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)	Transponder
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Robert Wold Company/Satori (Private Screenings)	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word Television Network/occasional video services	12

Westar IV—Projected launch February 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)	Transponder
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Franchising calendar

This chart examines the franchise status of communities during the last quarter of 1981 and the beginning of 1982. "Pending" refers to communities which are in the franchising process but have yet to make an award.

Arizona
Glendale—award to Camelback Cablevision (Storer) 12/81, 35,000 homes
Scottsdale—award made to United Cable Television 11/81, 44,000 homes
Tucson—award to Cox Cable Communications 10/81, 135,000 homes

California
Alameda—pending
Bellflower—pending
Compton—award to CATV West 11/81, 22,000 homes
East San Fernando Valley—pending
East Yolo—pending
Garden Grove—pending
Grand Terrace—pending
Hacienda Heights—pending
Hawthorne—pending
Lomita—proposals due 2/15/82
Los Alamitos—proposals due 1/12/82
Sacramento—pending
San Fernando—pending
San Mateo County (Ladera Heights, Baldwin Hills, Lennog)—award to Jack Barry Cable TV 9/81, 12,000 homes
Santa Ana—award to Teleprompter Corporation 12/81, 65,600 homes
Santa Fe Springs—award to Cablesystems Pacific 10/81
Seal Beach—award to Teleprompter 10/81, 13,900 homes
South Los Angeles—pending
South Whittier—pending

Colorado
Cherry Hills Village—pending
Denver—award expected 2/22/82
Edgewater—pending
Greenwood Village—pending
Longmont—pending
Northglenn—pending
Thornton—award to American Television and Communications 1/82, 15,000 homes
Wheatridge—pending

Florida
Miami—award to Americable/Tele-Communications, Inc., 10/81
Plant City—award to Plant City Cablevision 12/81
Tampa—pending
Times Beach—award to Warner Amex Cable Communications 11/81
Walden Lake—pending

Georgia
Lithonia—award to Cable DeKalb (Cable America) 12/81, 900 homes

Illinois
Brookfield—pending
Chicago—pending
Lake County—south, central unincorporated areas award to Centel Communications, northern portion award to U.S. Cable of Waukegan 12/81
Schiller Park—award to Continental Cablevision of Cook County 11/81
Stokie—award to Teleprompter Corporation 12/81, 21,000 homes
Thornton—award to Centel Communications 11/81

Indiana
Boone County (unincorporated areas)—pending
New Palestine—award to Quality Cable TV of Sheridan 11/81
Thorntown—pending
Zionsville—pending

Iowa
Waverly—award to Heritage Communications 1/82

Kentucky
Oldham—award to Oldham County Cablevision 10/81, 10,000 homes
Pioneer Village—award to Bullitt County Communications (Matrix) 1/82, 280 homes

Maryland
Baltimore—pending
Montgomery County—proposals due 2/3/82
Prince George's County—northern portion (120,000 homes) award to Storer Cable Communications, southern portion (100,000 homes) award to MetroVision 12/81

Massachusetts
Bellingham, Mendon—award to Southern Massachusetts Cablevision (Aida Group) 1/82, 5,500 homes
Bridgewater—applications for license due 2/16/82
Brockton—award to Continental Cablevision 10/81
Hull—applications for license due 4/5/82
North Reading—award to Rollins Cablevision 11/81
Norwell—applications due 1/29/82
Whitman—applications for license due 3/1/82

Michigan
Farmington, Farmington Hills—pending
Detroit—pending
Inkster—award to Barden Cablevision 10/81
Oak Park—pending
Oakland County (Birmingham, Beverly Hills, Bingham Farms, Franklin)—award to Booth Communications 1/82, 15,000 homes
Royal Oak—award to Barden Cablevision 10/81

Minnesota
Arden Hills—pending
Columbia Heights, Hilltop—award to Teleprompter 12/81, 7,700 homes
Falcon Heights—pending
Lauderdale—pending
Little Canada—pending
Kasson—proposals due 1/11/82
Mounds View—pending
New Brighton—pending
North Oaks—pending
Owatonna—pending
Roseville—pending
St. Anthony—pending
Shoreview—pending

Missouri
Claycomb—pending
Glenaire—pending
Maplewood—pending
Pleasant Valley—pending
Riverside—pending

Nevada
Clark County—award to Community Cable TV (Times Mirror) 9/81

New York
Aurora, Anrelius, Cayuga, Cayuga County, Ledyard, Springport, Union Springs—proposals due 1/82
Harrison—pending
Lawrence—award to Adams Russell 9/81, 2,000 homes
New York City—completion of preliminary negotiations expected 2/82, final awards expected in spring
Westfield—proposals due 12/81

North Carolina
Davie County—proposals due 3/1/82

Ohio
Avon—award to Continental Cablevision of Northeast Ohio 10/81
Avon Lake—award to Continental Cablevision of Northeast Ohio 11/81
Berea—award to Complexicable 9/81
Brooklyn—municipal ownership decision pending
Brunswick—award to Brunswick Cable Communications 10/81
Highland Heights—award to Viacom Cablevision 12/81
Jackson Township—award to Warner Amex Cable 1/82, 10,000 homes
Northwood—award to Condor Cablevision of Michigan 12/81
Whitehouse—pending
Riveredge Township—award to Riveredge Cablevision Company 12/81

Oklahoma
Milwaukie—award to Liberty Communications 10/81

Oregon
East Multnomah County—pending
Lake Oswego—award to Storer/Metro 12/81
McMinnville—proposals due 3/1/82
Newburg, Dundee—award to Liberty Communications 10/81

Rhode Island
Middletown, Portsmouth, Tiverton, Little Compton—pending

Tennessee
Ashland City—award to Cablevision Enterprises of Tennessee 11/81
Germantown—award to Germantown Cablevision Asociates 12/81

Texas
Plano—award to Collin County Communications (Storer) 12/81, 20,000 homes

Utah
Fruit Heights—award to Wasatch Cable 11/81

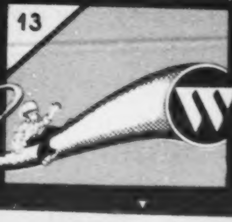
Virginia
Fairfax County, Falls Church, Herndon, Vienna—proposals due 2/15/82
Staunton—pending
Suffolk—award to Cross Country Cable 9/81, 11,600 homes

Wisconsin
Kenosha—pending
Mequon—award to RVS Cablevision of Wauwatosa 12/81
Milwaukee—pending
Mukwonago—award to RVS Cablevision 1/82
Muskego—award to RVS Cablevision 11/81

Cable penetration of top 25 TV markets

Rank	Market	Cable Subscribers*
1	New York City	1,349,907
2	Los Angeles	624,728
3	Chicago	175,751
4	Philadelphia	693,157
5	San Francisco	663,484
6	Boston	288,091
7	Detroit	175,275
8	Washington, D.C.	79,425
9	Cleveland	265,391
10	Dallas/Fort Worth	116,496
11	Pittsburgh	552,676
12	Houston	192,176
13	Minneapolis/St. Paul	44,945
14	St. Louis	94,034
15	Seattle/Tacoma	236,616
16	Atlanta	208,150
17	Miami	288,327
18	Tampa/St. Petersburg	169,035
19	Baltimore	69,682
20	Denver	53,637
21	Indianapolis	165,050
22	Sacramento/Stockton	402,349
23	San Diego	361,940
24	Portland, OR	85,239
25	Kansas City, MO	112,912

*Cable penetration in 50 mile radius of market city, subscriber totals from "CableFile/82."



- Denver report fails to clear franchise air
- Blue skies predicted for The Weather Channel
- Montgomery County deluged by MSOs
- Complete Texas show exhibitors' guide

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The news and features weekly of the cable television industry
February 15, 1982

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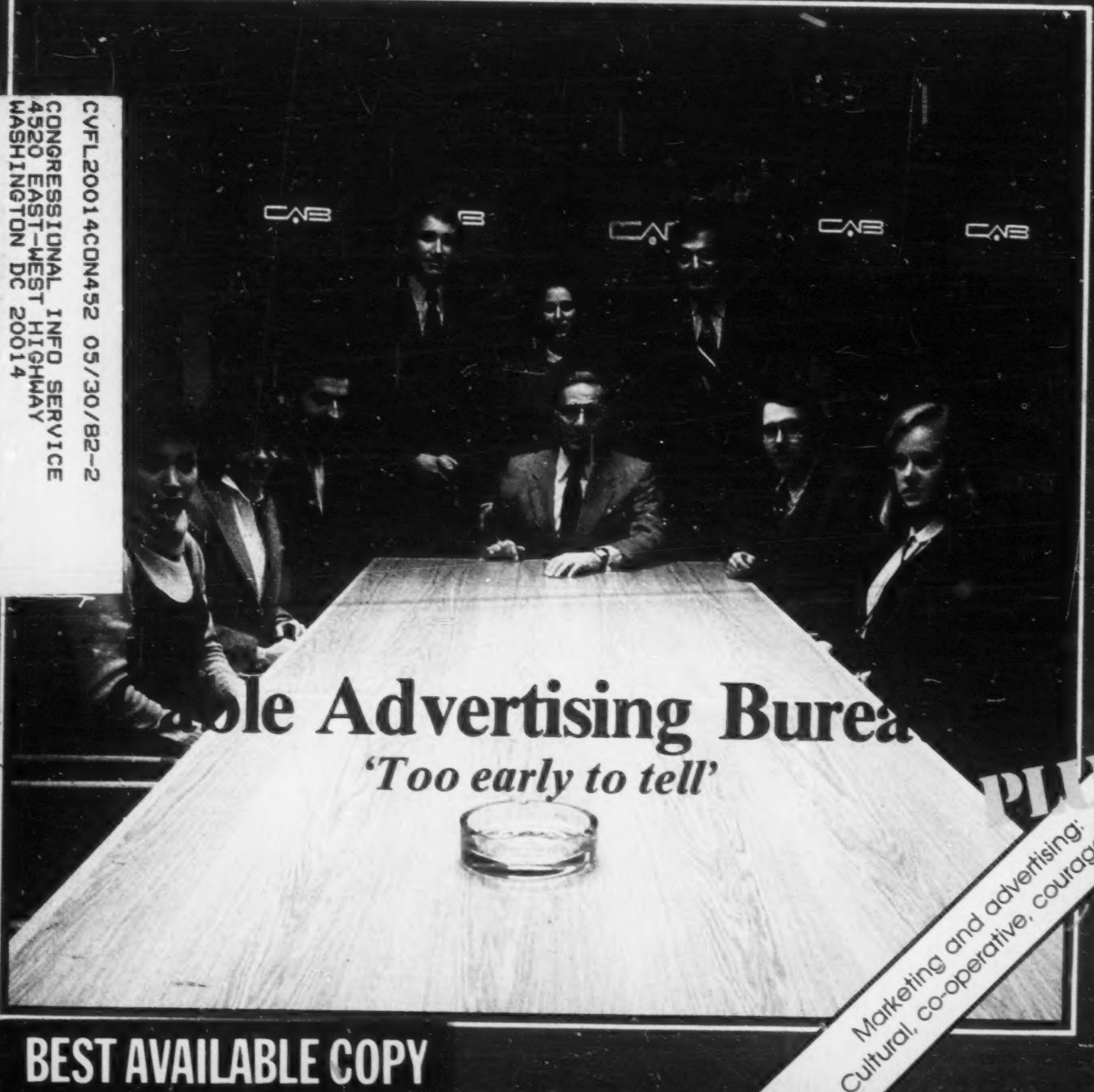

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CableVision
Volume 7, Number 23. February 15, 1982

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On the cover

From temporary office space to a suite in a brand new building, Bob Alter and the CAB have come a long way in eleven months. CAB hosts its first annual industry convention February 9. **Page 29.**

Report tightens fight

The final evaluation of Denver's three cable franchise bids has resulted in some reversals of previous endorsements. The concluding edge of the report honed in on the fact that no one firm has any real advantage over the others. **Page 13.**

Weather or not

When The Weather Channel debuts on May 2, John Coleman and his staff are ready to provide 24-hour weather forecasts over a specially-designed decoder called the Weather STAR (Satellite Transponder Addressable Receiver). **Page 19.**

Strategy revised

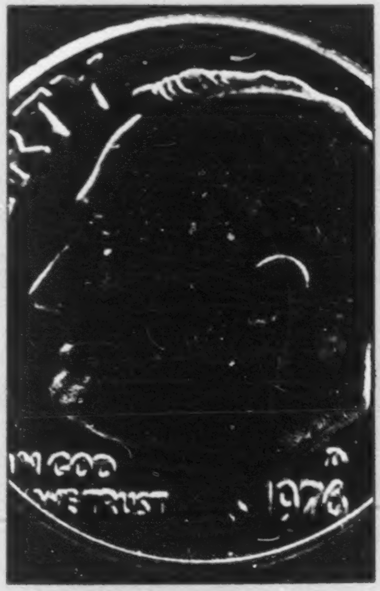
ANCCI has modified its retailing strategy to give its five-month-old Video Shopper venture a new lease on life. **Page 31.**

Revenues soar

FCC figures indicate operating revenues for the cable industry totaled more than $2.2 billion in 1980, a 23 percent increase over 1979. **Page 73.**

Texas show

The complete list of exhibitors at the 22nd annual convention of the Texas Cable TV Association has been assembled for your reading convenience. The Feb. 17-19 show at the San Antonio Convention Center has a full agenda of activities, which has been provided also. **Pages 63 and 83.**



This week in *CableVision Plus*

This week, *CableVision Plus* examines the rumors swirling around CBS Cable's pay/basic pirouette. Editor Jeri Baker examines the economic and programming elements unique to cultural services. Continuing the marketing-advertising theme, early advertisers on cable assess what they got: positive public relations, cable knowledge and what was simply a good buy. Finally, *CV Plus* takes a look at co-op advertising, a potential cable gold mine, largely unclaimed because of a poor accounting system. **Pages 39-62.**

Facts and figures

Cable industry revenues soar 23 percent in 1980, FCC reports

WASHINGTON—According to figures released by the Federal Communications Commission, operating revenues for the cable industry totaled more than $2.2 billion in 1980. That amount represents a 23 percent increase over the revenues accrued in 1979.

Each year at this time, the FCC releases a comprehensive report on the cable industry's financial status (*CV*, 1/11/82, p.9). However, because of the FCC's reporting procedures, the information is always one calendar year behind the present. Despite the lag, the information can be useful when contrasted with information from the preceding years (see chart).

In 1980, total operating expenses were $1.4 billion, which left an operating income of $799 million. This is a 35.7 percent operating margin before expenses.

Net income before taxes was approximately $168 million and the cable industry's total assets had a value of $4.44 billion. The last figure is an increase of 38 percent from 1979.

The FCC figures are based on filings representing 96 percent of all cable subscribers in the country. The remaining four percent subscribe to systems that had "incomplete, inaccurate or delinquent" filings. National totals were extrapolated from the available data.

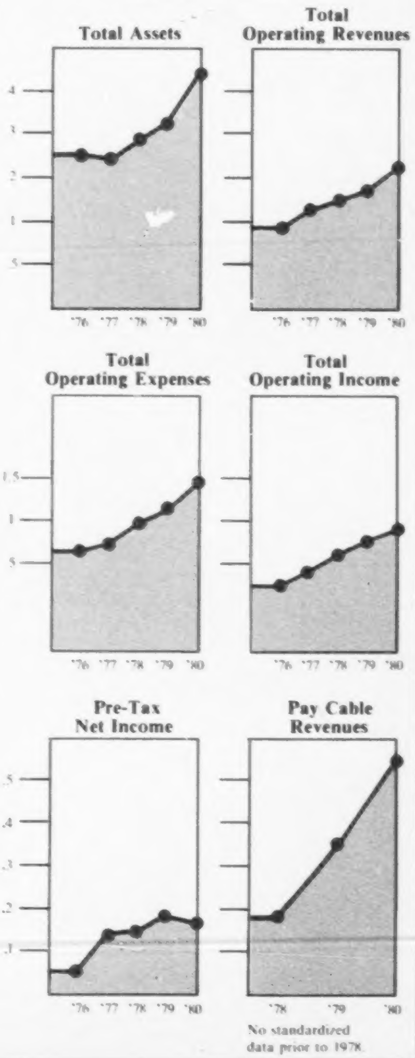
More than 16 million cable households are represented in the 1980 figures, with cable systems in 8,600 communities. For reporting purposes, the 8,600 communities were consolidated into about 3,000 financial entities, which are defined as "one or more cable TV community systems that report to the commission as one business entity."

The FCC said the average financial entity had approximately 5,900 subscribers and average operating revenues of $780,300 in 1980.

Of the total 1980 revenues, pay cable services accounted for $575 million, or 25.7 percent. This figure is an increase of 6.1 percent over 1979 revenues.

The report figures indicated that Alaska was not an ideal state for bargain-conscious cable subscribers. The largest state had the highest average monthly rate for basic service, $24.76, and pay service, $13.36.

The national average for basic service was $7.69. Vermont had the lowest rate of $6.37. Pay television averaged $9.13 per service each month. The Virgin Islands captured the bottom spot with a $6 pay rate. National installation fees averaged $17.66. Installation rates ranged from $10 in Rhode Island to $40 in the Virgin Islands.



Cable Television Financial Data: 1976-1980

(in billions of dollars)

No standardized data prior to 1978.

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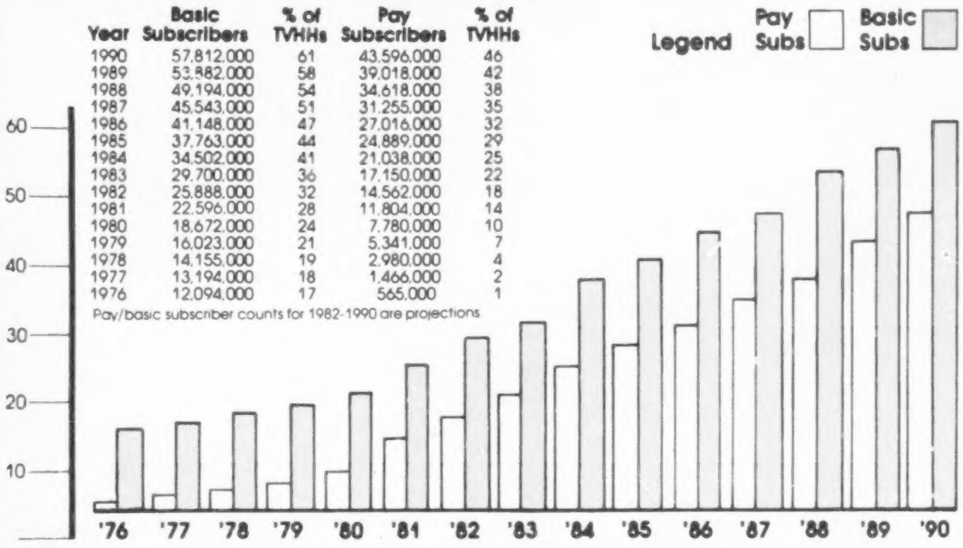
Pay/basic cable growth



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Percent of basic subs with pay cable	52.24%

Cable services' subscriber counts

Basic Cable Services (television)*	Affiliates	Subscribers	% Change in Homes From 12/31/81
ACSN	212	1,385,628	+0.31
AETN (as of 12/31)	285	2,681,478	N.C.
BET	812	8,952,320	+0.75
CBN	3,300	14,700,000	N.C.
CBS Cable	250	3,000,000	N.C.
Christian Media Network (as of 12/31)*	193	1,800,000	+38.46
CNN	1,953	11,033,500	+3.42
CNN2 (as of 12/31)	N.A.	780,000	N.C.
C-SPAN	1,200	11,000,000	+4.76
Episcopal Television Network	72	1,047,000	N.C.
ESPN	3,189	14,138,373	+3.89
Eternal Word Television Network	23	300,000	N.C.
MSN	541	4,100,000	N.C.
MTV (as of 1/1)	300	2,500,000	N.C.
National Christian Network	25	302,434	+0.87
National Jewish Television	73	1,661,075	+2.11
Nickelodeon/ARTS (as of 1/1)	1,350	6,200,000	N.C.
North American Newstime	115	884,000	N.C.
PTL	465	4,600,000	+9.52
SIN**	160	2,772,500	N.C.
SPN	414	3,658,904	+4.29
Trinity	140	1,271,562	N.C.
USA Network	1,750	10,000,000	+5.26
WGN	2,353	7,869,703	+4.27
WOR	1,226	4,705,350	+2.12
WTBS	3,869	19,560,000	+9.00
Basic Cable Services (audio)			
Lifestyle	30	300,000	N.C.
WFMT	109	659,093	+1.54
STV Programming			
SelecTV Programming (as of 12/31)	11	235,888	+4.84
Pay Cable Services (television)			
Bravo (as of 12/31)	25	47,000	N.C.
Cinemax	600	1,000,000	+42.86
Escapade/Playboy (as of 12/31)	90	185,000	N.C.
GalaVision	122	95,000	+3.26
HBO	3,300	8,500,000	+5.88
Home Theatre Network (as of 12/31)	275	155,000	+3.33
Private Screenings***	11	127,000	N.C.
Showtime (as of 12/31)	1,300	2,850,000	+2.14
The Movie Channel (as of 1/1)	1,500	1,750,000	N.C.

Announced Satellite-Fed Cable Services	Projected Launch Date
Black Music Cable Channel	third quarter 1982
The Buena Vista Channel	to be announced
Cable Health Network	first quarter 1982
Cable Newspaper Corporation	second quarter 1982
Cinemerica	mid-1982
Chromatic Animation	fall 1982
Daytime	3/82
Delta (ABC/Getty)	spring 1982
The Disney Channel	first quarter 1983
EROS	4/82
Family Programming Network (Billy Batts)	T.B.A.
Heartbeat Media Network	third quarter 1982
The Health Channel	3/82
Home Music Store (audio)	second quarter 1982
Home Theatre Network Plus	3/82
Kid Vid Network	second quarter 1982
Lewmark Productions Music Channel	T.B.A.
LVEN	T.B.A.
Nashville Network	3/83
National Jazz Network (audio)	4/82
Nostalgia Network	T.B.A.
Penthouse Entertainment Network	T.B.A.
RCTV/Entertainment Channel	6/82
Satellite News Channels (channel one)	summer 1982
Satellite News Channels (channel two)	fourth quarter 1982
SPN/international network	second quarter 1984
SPN/financial-religious network	second quarter 1984
SPN/classic movie service	second quarter 1984
SPN/how-to network	second quarter 1984
Spanish Universal Network	T.B.A.
Spotlight	T.B.A.
Times Mirror Shopping Channel	T.B.A.
UTV Cable Network	second quarter 1982
Video Concert Hall (relaunch)	T.B.A.
The Weather Channel	second quarter 1982
Window	T.B.A.

Note: Subscriber and affiliate figures as of 1/31/82, unless otherwise noted.
*Temporarily off the air, pending transponder time.
**Estimated Spanish-speaking households; includes broadcast stations and translators. Total SIN reach: 21,393,400.
***Includes STV outlets.
N.A. designates not available.
N.C. designates no change.

Top 100 MSOs

Rank	Multiple System Operator	Subscribers
1	American Television and Communications	1,810,000
2	Teleprompter/Westinghouse	1,639,990
3	Tele-Communications, Inc (3/81)	1,277,000
4	Cox Cable Communications, Inc	1,098,663
5	Warner Amex Cable Communications, Inc	850,000
5	Storer Cable Communications	850,000
7	Times Mirror	667,497
8	Newhouse Broadcasting*	5[illegible]7,452
9	Viacom Cablevision**	5[illegible]6,00[illegible]
10	UA-Columbia Cablevision	4[illegible]6,12[illegible]
11	United Cable Television Corporation	455,018
12	Continental Cablevision	449,547
13	Sammons Communications	443,708
14	TeleCable Corporation	295,500
15	Cablecom General/Capital Cities	289,739
16	General Electric Cablevision Corporation	287,000
17	Heritage Communications	238,451
18	Cablevision Systems Development	219,164
19	Comcast Corporation	212,677
20	Liberty Communications (9/81)	208,298
21	Daniels & Associates, Inc	201,000
22	Tele-Media Corporation	197,000
23	Wometco Cable TV	194,944
24	Service Electric Cable TV	189,500
25	Midwest Video Corporation (8/81)	174,349
26	Maclean Hunter*	168,868
27	Century Communications	165,000
28	TCA Group	161,000
29	Multimedia Cablevision, Inc	150,737
30	Western Communications Inc	149,000
31	Jones Intercable, Inc	143,159
32	Colony Communications	141,911
33	Prime Cable	125,126
34	Harris Cable Corporation	110,000
34	Communications Service, Inc (8/81)	110,000
36	Centel Communications	106,808
37	Rollins Cable Vue, Inc	106,800
38	Tribune Company Cable	104,137
39	Plains Communications (recently acquired by TCI)	91,000
40	Harron Communications Corporation	89,093
41	Buckeye Cablevision	86,154
42	Cable Vision Industries	83,674
43	Armstrong Utilities*	83,363
44	Cablentertainment	77,073
45	Multi-Channel TV Cable Company (8/81)	75,000
46	Palmer Communications	72,348
47	McDonald Group	72,136
48	Adams-Russell Company	67,500
49	Alda Group	67,351
50	King Videocable Company	65,144
51	Buford Television, Inc	64,395
52	Omni Cable TV Corporation	64,107
53	Perry Cable TV Corporation (9/81)	62,000
54	Summit Communications	61,765
55	Omega Communications	60,000
56	WEHCO Video	57,143
57	Televents (9/81)	55,046
58	National Telecommunications Company	54,600
59	U.S. Cablesystems	54,174
60	Pencor Services, Inc	53,599
61	Southern Oregon Cable TV (7/81)	52,000
62	Booth Communications	51,065
63	The Essex Group	50,613
64	Consolidated Cable Systems	50,104
65	Cable America	47,500
66	Communications Systems, Inc (7/81)	45,172
67	US Cable Corporation (7/81)	45,000
68	Acton Corporation	44,000
69	Sonic Cable TV (7/81)	43,642
70	Clear TV Cable Corporation	43,400
71	Cross Country Cable (pending sale of NJ systems)	43,258
72	Falcon Communications	43,000
73	UltraCom, Inc (8/81)	42,754
74	Coaxial Communications (8/81)	42,000
75	Cable TV of Puget Sound (includes bulk dwellings)	41,856
76	Adelphia (8/81)	41,828
77	Nor-Cal Cablevision (McClatchy-Viacom)	40,099
78	The Daily Press	40,000
78	Greater Media	40,000
78	Lenfest Group	40,000
81	Susquehanna Broadcasting	39,800
82	Total TV, Inc	39,122
83	McCaw Communications	37,700
84	Oak Communications (8/81)	32,644
85	Joseph S. Gans	32,590
86	Six Star Holding Company	30,000
87	Selkirk Communications	29,000
88	Commonwealth Cable of Massachusetts	27,773
89	Hellicon Corporation	27,753
90	Fetzer Cablevision (7/81)	26,000
91	Lawrence Flinn Jr	25,578
92	Cable Holdings, Inc	25,000
92	Midcontinent Cable Systems (7/81)	25,000
94	Karnack Corporation	24,696
95	Gulf Coast Cable Television Ltd (8/81)	24,568
96	Gerity Cablevision (7/81)	24,250
97	Potomac Valley TV Company (9/81)	24,089
98	Columbia Communications Corporation (8/81)	23,655
99	Harmon & Company	23,000
100	American Cable Television, Inc	22,281

Note: Subscriber counts in these charts are as of 12/31/81 unless noted otherwise.

*Newhouse Broadcasting includes MetroVision, NewChannels, Vision Cable

Maclean Hunter includes Metro, Suburban, Wayne Cable

Armstrong Utilities includes Armstrong Communication Corporation, National Cable TV Corporation, and North Lauderdale Cablevision

**Viacom Cablevision includes 40% ownership in Nor-Cal Cable

Top 100 systems

Rank	Location	Operator	Subscribers
1	San Diego, CA	Cox Cable	210,590
2	Manhattan, NY	ATC	153,800
3	Oyster Bay (Long Island), NY	Cablevision Systems Development	(9/81) 140,000
4	West Orange, NJ	Maclean Hunter Cable	(8/81) 114,626
5	Los Angeles, CA	Teleprompter	103,500
6	Wayne, NJ	Rogers UA Cablesystems	100,365
7	Tulsa, OK	United Cable TV	96,668
8	Erie County, NY	Prime Cable	92,778
9	San Jose, CA	Gill Industries	89,175
10	San Antonio, TX	Rogers UA Cablesystems	85,475
11	Audubon, NJ	NYT Cable	84,610
12	Tidewater, VA	Cox Cable	80,559
13	Central Islip, NY	Viacom	80,291
14	Austin, TX	ATC	80,000
15	Honolulu, HI	ATC	79,000
16	Orlando, FL	ATC	76,100
17	Manhattan, NY	Teleprompter	69,800
18	Toledo, OH	Buckeye Cablevision	68,405
19	Wilmington, DE	Rollins Cablevision	68,038
20	Grand Rapids, MI	General Electric	67,900
21	Seattle, WA	Teleprompter	67,100
22	San Diego, CA	ATC	60,600
23	San Francisco, CA	Viacom Cablevision	60,554
24	Flint, MI	Comcast	59,798
25	Baton Rouge, LA	Daniels & Associates	57,900
26	Monterey, CA	Western Communications	57,600
27	Buffalo, NY	Minneapolis Star Tribune	56,204
28	Jefferson Parish, LA	Cox Cable	55,873
29	Santa Barbara, CA	Cox Cable	55,208
30	Allentown, PA	Twin County Cable	55,000
31	Columbus, OH	Warner Amex Cable	54,000
31	Wichita, KS	Multimedia Cablevision	54,000
33	Melbourne, FL	ATC	53,600
34	Memphis, TN	ATC	52,200
35	Snohomish County, WA	Viacom Cablevision	51,722
36	Jacksonville, FL	ATC	51,450
37	Harrisburg, PA	Sammons Communications	51,091
38	Binghamton, NY	NewChannels	50,543
39	El Paso, TX	Teleprompter	50,300
40	Sarasota, FL	Storer Cable	49,405
41	Medford, MA	Warner Amex Cable	49,000
42	Louisville, KY	ATC	48,232
43	Canton, OH	Warner Amex Cable	47,000
44	West Hartford, CT	Times Mirror	46,909
45	Seattle, WA	Viacom Cablevision	46,693
46	San Rafael, CA	Viacom Communications	46,466
47	Reading, PA	ATC	46,200
48	San Diego County, CA	Times Mirror	44,461
49	Des Moines, IA	Heritage Communications	44,427
50	West Haven, CT	Storer Cable	43,897
51	Shreveport, LA	ATC	43,725
52	Peoria, IL	General Electric	43,700
52	Eugene, OR	Teleprompter	43,700
54	Pompano Beach, FL	American Cable TV	43,570
55	Akron, OH	Warner Amex Cable	43,000
56	South Bend, IN	Buford	43,887
57	Albany, NY	ATC	42,500
58	Columbus, OH	Coaxial Communications	(6/81) 41,500
59	Spokane, WA	Cox Cable	41,484
60	Birmingham, AL	ATC	41,100
61	New Brittain, CT	United Cable	41,071
62	Moline, IL	Cox Cable	40,756
63	Scranton, PA	Verto Cable TV	39,906
64	Charlotte, NC	ATC	39,350
65	Brookhaven, NY	Rogers UA	39,301
66	Bakersfield/Kern County, CA	Warner Amex	39,300
67	Branford, CT	Rollins Cable Vue	38,800
68	Lincoln, NE	MetroVision	39,000
69	Bridgeport, CT	The Alda Group	38,243
70	Jackson, MS	ATC	38,150
71	Lansing, MI	Continental Cablevision	37,587
72	Winston-Salem, NC	Summit Communications	37,538
73	NW Houston, TX	Warner Amex Cable	37,000
73	Overland Park, KS	TeleCable	37,000
75	Fayetteville, NC	ATC	36,600
76	West Palm Beach, FL	Teleprompter	36,400
77	Springfield, IL	Times Mirror	36,316
78	Deerfield, NY	Harron Communications	(6/81) 36,200
79	St. Petersburg, FL	Teleprompter	36,000
80	Palm Desert, CA	Palmer Communications	35,701
81	Delta area, CA	Viacom Cablevision	35,454
82	Dover, NJ	Sammons Communications	34,995
83	Miami Beach, FL	Storer Cable Communications	34,000
84	Cleveland, OH	Cox Cable	33,765
85	Waterbury, CT	Sammons Communications	33,490
86	Beacon, NY	Colony Communications	33,313
87	Pensacola, FL	Cox Cable	33,188
88	Syracuse, NY	NewChannels	33,038
89	Colorado Springs, CO	Century Communications	33,000
89	Colorado Springs, CO	ATC	33,000
89	Concord, CA	Western Communications	33,000
89	Altoona, PA	Warner Amex	33,000
93	Gainesville/Alachua, FL	Cox Cable	32,763
94	York, PA	Susquehanna Broadcasting	32,760
95	Santa Cruz, CA	Teleprompter	32,700
96	Syracuse, NY	Rogers Cablesystems	32,618
97	Port Arthur, TX	Liberty Communications	(5/81) 32,316
98	Cleveland, OH	Viacom Cablevision	32,207
99	Allentown, PA	Service Electric Cable TV	(1/81) 32,000
99	Reno, NV	Teleprompter	32,000
100	Lancaster, PA	Cable TV Associates	32,000

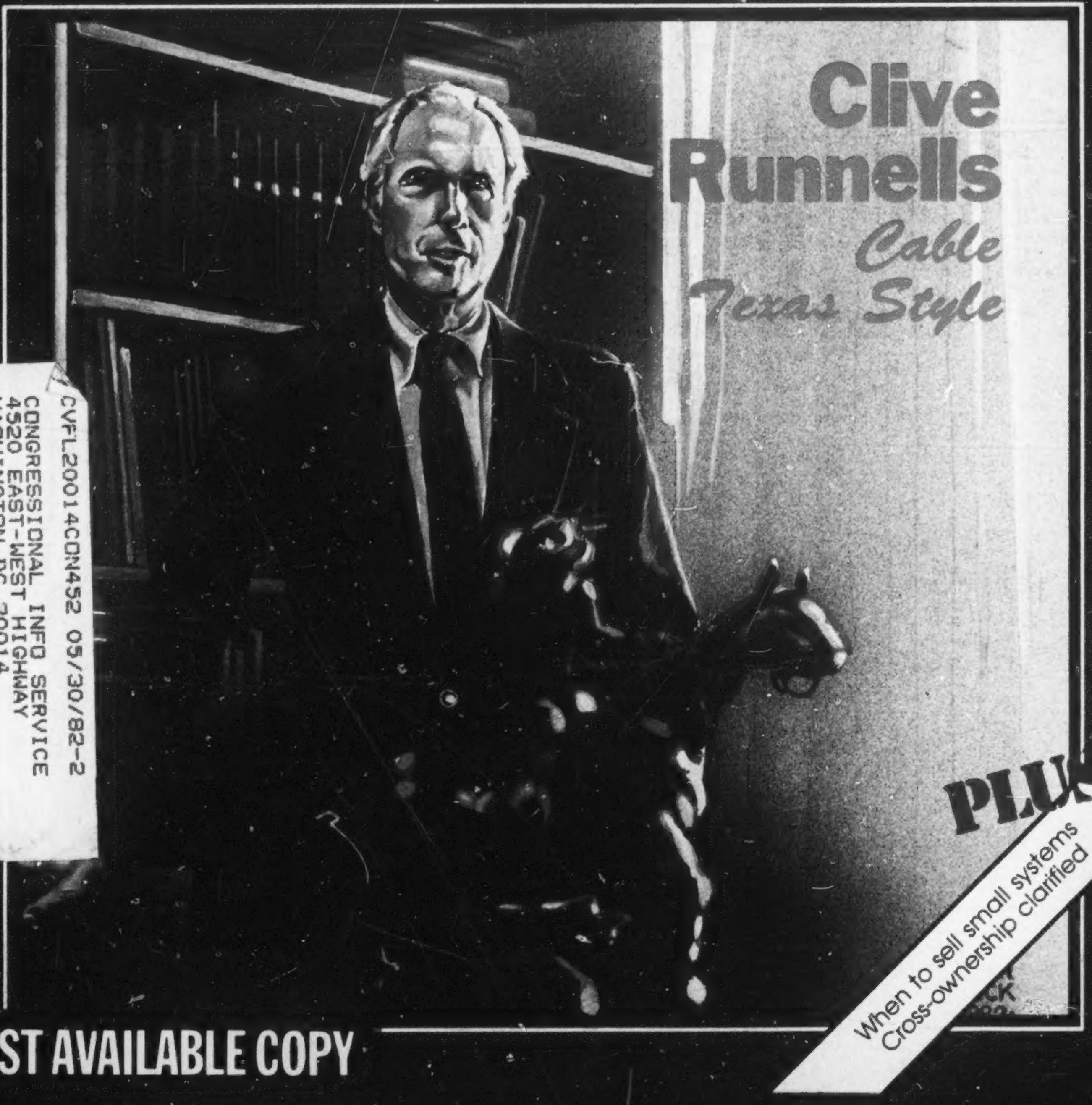
- Mimi Dawson scoring early at FCC
- Texas Show opens in San Antonio
- CAB puts a wrap on first advertising conference
- What's up with Cablecom/Cap Cities?

1 C89202 -

CableVision

The news and features weekly of the cable television industry

Feburary 22, 1982



Clive Runnells

Cable Texas Style

PLUS

When to sell small systems
Cross-ownership clarified

CVFL20014CON452 05/30/82-2
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
WASHINGTON DC 20014

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CableVision

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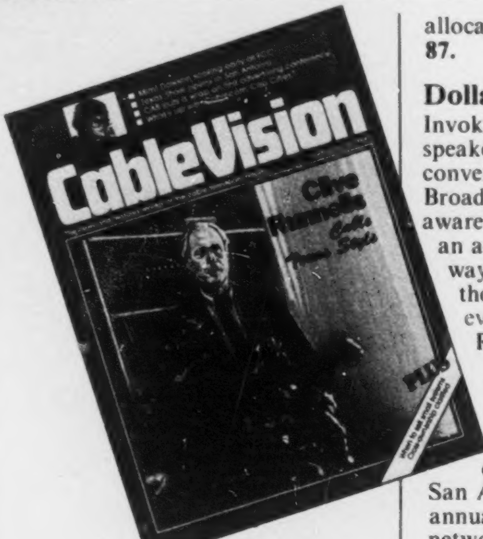


On the cover

A man of many hats . . . that's Clive Runnells. He and his Gulf Coast Cable Television system survived a shootout in Houston, throughout the franchise proceedings and a subsequent lawsuit. With ranching, mutual funds and cable television involvements, Runnells lives the philosophies espoused by his great-grandfather, Shanghai Pierce. Washington Bureau Chief Patrick Gushman profiles the man and his world. *CV Plus*, **p. 108.**

Close encounter

Theories and predictions flowed freely at CAB's first annual Cable Advertising Conference, Feb. 9-10 in New York City. A crowd of 1,300 elbowed each other to catch the latest word in cable happenings. **Page 13.**

Two million and climbing

A well-financed and complex battle plan has launched Tele-Communications Inc. ahead of the pack. With a subscriber count of two million and a new $7 million Westar V transponder, TCI is still running. **Page 13.**

Straight shooting

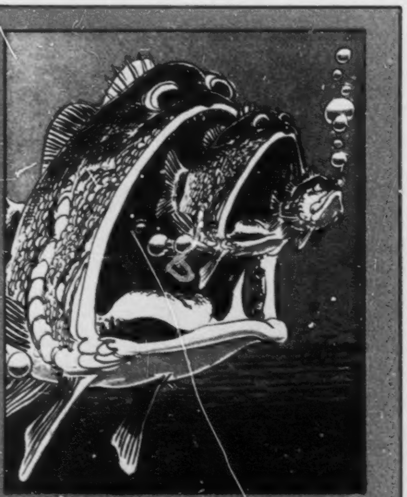
No dodging here—FCC Commissioner Mimi Dawson fields tough questions on commission policy and her personal goals in an interview with *CableVision*'s David Price. Dawson responds with straight answers to questions ranging from satellite transponder allocations to low-power TV. **Page 87.**

Dollars divine

Invoking involvement in cable, speakers at the 39th annual convention of National Religious Broadcasters evidenced the group's awareness of the power of cable as an advertising medium. The four-way event included appearances by the best known television evangelists and President Ronald Reagan. **Page 21.**

San Antonio sunshine

Winter may be at its peak, but don't tell that to an expected crowd of 2,000 this week in San Antonio, gathering for the annual Texas Show. Several cable networks are warming up efforts to track Lone Star State operators, in between speakers, food, down south music and another CTAM track day. **Page 131.**



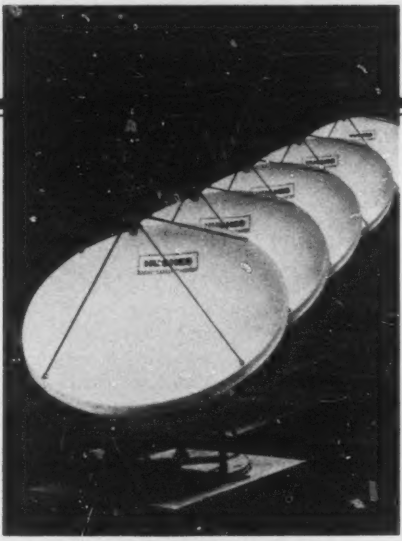
This week in *CableVision Plus*

The Gulf Coast Cable Television system and the personality of its founding father, Clive Runnells, are definitely intertwined. That's apparent in this week's lead article by Patrick Gushman, Washington bureau chief. The Business/Finance theme continues in Gary Rothbart's examination of small systems and their survival tactics in the cable sea of big and bigger fish. Finally, David Price confronts the cross-ownership issue, detailing the report and examining the subsequent response. **Pages 105-128.**

How to profit from the first name in second and third earth stations.

New birds, new programs. Hughes has been the first name in earth terminals since the first satellites. But with GALAXY I soon joining SATCOM and WESTAR you'll need a second and even third earth station. And again, Hughes is the first choice.

We expand as you expand. Our 3.7 meter antenna provides excellent picture quality and reasonable safety margin in most of the U.S. But when you want more insurance against satellite degradation, or higher safety margin, simply add our unique expansion ring* and you'll have a 5 meter antenna. Or, if you're farther north or south, start with our 5 meter antenna that's easily expanded to 6 meters. Both focal point and cassegrain feed options are available.



New antennas without new coax. Hughes pioneered a two-part system that lets you install the downconverter at the antenna and the receiver elsewhere. The signal can share existing coax, or you can connect the two with low-cost trunk cable

Check out our 2 year warranty. Because our system has been field-proven for many years, we have the confidence to offer a full 2-year warranty, backed by a 48-hour exchange program.

For more information write or call:

Hughes **MICROWAVE™ COMMUNICATIONS PRODUCTS**

P.O. Box 2999, Torrance, CA 90509
(213) 517-6233 or toll free outside of California (800) 421-5748.

HUGHES

HUGHES AIRCRAFT COMPANY

©1981

See us at the Texas Show at Booths #642 & 644.

Leading the week

Close encounter

Standing room only crowd gets fulls dose of ideas, theories and predictions

NEW YORK—Sold out.

There wasn't even elbow room in the Waldorf Astoria's Grand Ballroom where 1,300 participants fought for seating during CAB's first annual Cable Advertising Conference held Feb. 9-10.

Cable's crystal ball prompted a variety of readings. Topics such as "How Cable Is Evolving" and "The Shape of Cable's Growth" were among the predictive sessions that dominated the first day. An aptly named antidote to blue-sky musings, however, came in "What's Happening in the Real World," focusing on a new round of cable studies offering perspective on the present.

Analyst and publisher Paul Kagan forecast $2 billion in cable ad revenues in 1991, up from an estimated $100 million in 1981. For the shorter term, he acknowledged, his projections had fallen short. He had looked to $35 million in spot sales last year and told the forum the accurate figure was $16.7 million.

Case histories from Kraft, Mazda and Anheuser-Busch followed, as company representatives discussed varied approaches to cable advertising.

The morning session was capped by comments from Carter Bales and Sharon Patrick of McKinsey & Company, who shared the results of their intensive, year-long study of how advertisers and agencies are handling cable evaluation, planning and buying.

McKinsey interviewed directors at 25 of the largest agencies during 1980, then conducted two telephone surveys in October 1980 and 1981 with key corporate advertisers and buyers.

The first statistic they noted was

(Continued on page 43.)

Going for the gold

TCI unleashes multifaceted, well financed battle plan that has put the firm ahead of the pack

DENVER—Tele-Communications, Inc., is now number one—more than two million subscribers and still counting. And with its new $7-million Westar V transponder, TCI is well positioned to create the first nationwide addressable system.

Fortified with the numbers and the bird, TCI is starting to get tough with program suppliers, some of whom reportedly are beginning to complain about President John Malone's stiff terms.

A $500-million budget in 1981 was behind the shopping spree that put the company clearly ahead of ATC and Teleprompter, Malone said last week.

Also in the works are plans to create a national addressable system with a centralized administration, Malone revealed. He confidently predicted TCI would have some three million subscribers by the end of 1984.

Determined not to watch his commanding advantage disappear in the pockets of program suppliers, Malone only is accepting deals that make dollars and sense to operators.

"Let me put it this way," said Malone. "If I were a cartoonist I would show five camels all with their noses under the cable tent so that the tent is no longer on the ground. In fact, it is airborne. That's the Malone view of the jeopardy the independent cable operator is in."

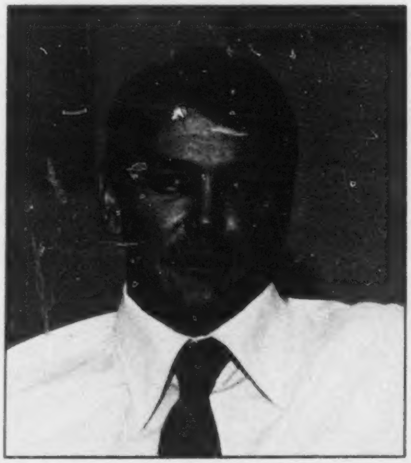
"We're the last best hope of the little operator because we are showing what he has to do, not just to give his system away to the program suppliers.

"If he watches what we do, he will learn that he has got to protect himself, too. Because otherwise he'll be like that independent theater owner who has given 90 percent of the gross and half the popcorn receipts to carry a movie and I think it would be very sad to see this industry go that route."

Make no mistake about it, Malone's TCI machine is not about to be bamboozled by fly-by-night program peddlers. "The program suppliers are upset with us," said Malone, "because if this gets to be common knowledge then the independents may be a lot slower in signing these long-term contracts. TCI is saying we have to protect ourselves for the future."

And what is that future likely to be? "If the cable industry ultimately goes the route of the broadcasting industry to where the bulk of the revenues come out of advertising—and I'm not saying that's going to happen—but if it did, the cable industry has given itself away," said Malone.

Malone would not describe the terms that are sticking in suppliers' throats, but he did express his strenuous objection to some, namely Ted Turner's WTBS, whose policy is to heavily promote their own services. "That's where we're having a little trouble with Ted," said Malone. While WTBS is on many TCI systems, CNN is on very few, a fact that has prompted Turner's letter-writing campaign urging city officials to lean on TCI.



John Malone spoke with CableVision *about new moves to capture number one spot among MSOs.*

"He started this war, and he's apologized publicly. But he's still doing it. That's Ted," Malone said in good humor.

With the majority of TCI systems in backwater locales—only 25 percent now are carrying more than 12 channels—the competition for TCI's space could get fierce, leading one to conclude the suppliers with the biggest bucks will have the best shot.

But Malone denies he is going to auction off his channels. "We're not out there looking to rape the program suppliers," he said. The first requirement is quality. "They have to have

"THE WEATHER CHANNEL WILL BE UNIQUE; A NATIONAL WEATHER NETWORK THAT'S VERY, VERY LOCAL."

John Coleman, President, The Weather Channel

Introducing The Weather Channel. Local weather that will be more than just interesting. It could be life-saving.

When a storm approaches your area, The Weather Channel will offer the most up-to-the-second information available.

Local radar will show the storm's size, proximity, and progress. All official weather warnings for your community will be displayed immediately, and continuously updated to provide the fullest information.

The severity and direction of a major storm can change instantly. And, tuned to The Weather Channel, your subscribers will have time to act.

Our normal local coverage will include a five-page local forecast. It will also include local temperature, humidity, wind, and precipitation sensors across the bottom of the screen while "Super Radar," satellite pictures, and national and regional temperatures are being presented.

For the first time, your subscribers will see the weather the way it should be seen.

Live, continuous local, regional, and national weather like it's never, ever been done before.

They'll see exclusive "flow forecasts" that show the weather headed their way.

They'll see color-enhanced satellite pictures, never seen on TV before.

They'll get detailed regional weather. Immediate computerized observations from the National Weather Service. And the latest, up-to-the-second local information.

The Weather Channel will be staffed with a team of professional meteorologists.

Live on camera: weather experts with years of experience and the highest technology.

They're headed by John Coleman, the weathercaster on "Good Morning, America."

They'll be factual, well-trained, and entertaining, but completely serious about presenting up-to-the-second weather information in the best possible way.

They'll use the finest visual and weather equipment available today.

There's never, ever been anything like The Weather Channel to make money for you.

The Weather Channel will reach you 24 hours a day via RCA's Cablenet I satellite.

Local weather information will be displayed by The Weather STAR (Satellite Transponder Addressable Receiver).

When you affiliate with The Weather Channel, we provide you with The Weather STAR and local weather sensors.

We also provide you a keyboard for local advertising crawls. And that's not all. You'll have two minutes of video and audio commercial time to sell every hour.

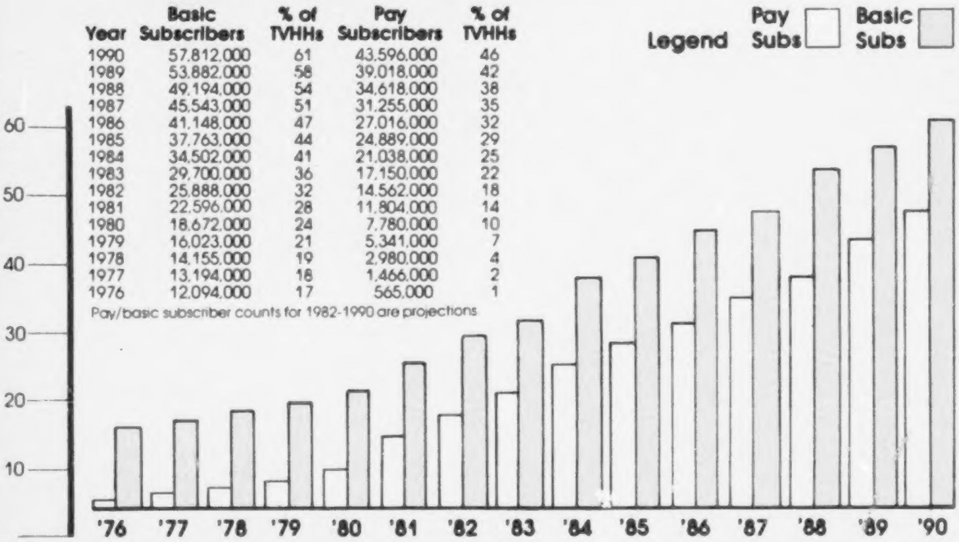
For profit, and for giving your subscribers the very best local weather, there has never, ever been anything like The Weather Channel.

THE WEATHER CHANNEL

A cable programming service of
LANDMARK
COMMUNICATIONS, INC.

For more information on the Weather Channel Call Dean Waite at (404) 434-6800.

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH)	80,700,000
Homes passed by cable (HP)	41,574,977
Percent of TVHH passed by cable	51.52%
Basic cable subscribers	22,596,000
Percent of TVHH with basic cable	28.00%
Percent of HP with basic cable	54.35%
Pay cable subscribers	11,804,000
Percent of TVHH with pay cable	14.62%
Percent of HP with pay cable	28.39%
Percent of basic subs with pay cable	52.24%

Franchising in the top 50

Rank	Market	Status of Core City
1.	New York	Manhattan-OP/four unwired boroughs-FP
2.	Los Angeles	City is divided into seven parts
3.	Chicago	BP
4.	Philadelphia	City is divided into four parts (1 OP/3 FP)
5.	San Francisco	OP (system to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas/Ft. Worth	Two systems-OP
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/St. Paul	FP
14.	St. Louis	BP
15.	Seattle/Tacoma	City is divided into four parts (2 OP/1 FG/1 BP)/ Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/St. Petersburg	BP/OP
19.	Baltimore	BP
20.	Denver	FP
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into two parts (1 OP/1 FG)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/New Bedford	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FG
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/Battle Creek/Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	Two systems-OP
43.	Charleston/Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Legend

OP—operational
FG—franchise granted
FP—franchise pending
BP—beginning process
LNA—little or no action

Based on chart from the National Cable Television Association report on cable franchising, using Arbitron's designated market areas.

National cable advertising

This chart lists national advertising sales by the basic cable networks during January 1982.

Network/client	Status
BET	
Amtrak	Renewal
Anheuser-Busch	Renewal
Carson Products	Renewal
General Electric	Renewal
General Foods	Renewal
General Mills	Renewal
Ford (Lincoln Mercury)	Renewal
Philips Petroleum Co.	Renewal
Pepsico	Renewal
Sears	Renewal
U.S. Army	Renewal
U.S. Navy	Renewal
Westinghouse	Renewal
Wrigley's	Renewal
Xerox	Renewal
CNN	
American Home Products	Renewal
AT&T	Renewal
Borden, Inc.	New client
Cheesborough-Ponds	Renewal
Exxon	Renewal
G.D. Searle	New client
General Foods	Renewal
General Motors (Chevrolet/Oldsmobile)	Renewal
Good Housekeeping	New client*
Hinkle Toyota	Renewal
J.C. Penney	Renewal
Lanier Business Products	Renewal
Lipton	Renewal
Magnavox	Renewal
Merrill Lynch	Renewal
Mushroom Shoes	Renewal
Quaker Oats	Renewal
Schefflin Wine	New client
Sears	Renewal
Time-Life	New client
Union Carbide	Renewal
Video magazine	New client*
CBS Cable	
Kellogg's	Renewal
ESPN	
Exxon	Renewal
Kellogg's	New client
Mobil Oil	Renewal
Owens Corning	Renewal
Pepsico	New client
Red Carpet Real Estate	New client*
Richland Shoe	Renewal
Tampax	New client
U.S. Postal Service	New client
Xerox	Renewal
MSN	
General Foods	New client
Hallmark	Renewal
Kraft (Dart-Kraft Ind.)	Renewals
Mattel	Renewal
Pillsbury	Renewal
Schering-Plough	Renewal
Schwinn	Renewal
Sears	New client
Uncle Ben's Rice	Renewal
National Jewish Television	
Haagen-Dazs	New client*
SIN	
American Home Products (Bayer)	Renewal
Phillips Milk of Magnesia	New client
Richardson-Vicks	New client
SPN	
Aer Lingus	Renewal
American Airlines	New client
American Express	Renewal
American Horseman magazine	New client*
American Tourister	Renewal
Avis	New client
Avon Books	Renewal
Columbia School of Broadcasting	New client
Consumer Reports	New client
Diamond International Investment	Renewal
Eastern Airlines	New client
Estee Lauder	Renewal
Florida Department of Commerce	New client
Harlequin Novels	New client
HBO	Renewal
Kodak	Renewal
London Airlines	New client*
Moosehead Beer	New client*
Peugeot	Renewal
Pierre Cardin	Renewal
The Stardust Hotel	Renewal
TWA	New client
Urban General	Renewal
TeleFrance USA	
Chanel	Renewal
Club Med	Renewal
Elf Aquitaine	Renewal
Exxon	Renewal
Remy Martin	Renewal
USA Network	
American Express	Renewal
Atari	Renewal
Avon	New client
Johnson & Johnson	Renewal
Kellogg's	Renewal
Levelor	Renewal
Levi Strauss	New client
Norelco	New client
Spaulding (Questor)	Renewal
U.S. Postal Service	New client
Walt Disney Productions	New client
Warner-Lambert	New client
WTBS	
Bristol-Myers	Renewal
Britt Tech	New client*
ESPN	Renewal
G.D. Searle (Pearle Vision Centers)	New client
Hunter Fan	New client*
Johnson & Johnson	Renewal
Knickerbocker Toys	Renewal
K-Tel	Renewal
Playboy	Renewal
Sears	Renewal
Texas Instrument	Renewal
Union Carbide	Renewal
Wrigley's	Renewal

*New to network advertising.

Regional focus—the Southwest

	Cable Systems	Homes Passed	Basic Subscribers	% Basic Subs/ Home Passed	Pay Subscribers	% Pay Subs/ Basic Subs
Texas	319	2,455,657	1,241 838	51%	819,548	65%
New Mexico	36	263,856	147,334	56%	70,305	48%
Arizona	53	175,052	112,452	64%	40,611	36%

Statistics derived from "CableFile/82."

- HBO prepares to put clamps on pirating
- Everything is rounded up for this year's Texas Show
- Affiliate relations board nears realization
- The push is underway to let AT&T openly compete

1 C.8920-2

CableVision

The news and features weekly of the cable television industry™
March 1, 1982

CVFL20014CON452 05/30/82-2
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
WASHINGTON DC 20014

Alan Hirschfield

Joint cable venture unveiled

PLUS

Programming: Ratings roulette, exclusive film licenses

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CableVision
Alan Hirschfield
joint cable venture unveiled

On the cover

CBS Inc. and 20th Century-Fox Film Corp. have agreed to form a joint venture to serve the growing cable television and home video entertainment industries worldwide. Both firms expect the deal to be consummated within 30 days. **Page 13.**

CATV Texas Cable TV Association

San Antonio highlights

Thousands gathered for the annual Texas Show and as could be expected generated a lot of news of a wide variety of subjects. *CableVision*'s team attending the conference kept careful track of all the happenings. **Page 23.**

Full competition

Officials of the FCC and the Reagan administration are throwing their collective weight behind a proposal to allow AT&T to compete openly in the market for enhanced services. To date, that idea is not doing any better than the original divestiture agreement. **Page 71.**

Boroughs at stake

Negotiations are scheduled to begin with New York City officials for the wiring of four heavily populated areas. Four firms are in the running, but everything is very hush-hush at this stage. **Page 69.**

In sequence

The cable version of *Pippin* is ready to show and The Entertainment Channel has the exclusive rights for that video run. However the musical will run first on worldwide in-flight showings by TWA. **Page 27.**

Crescendo

The formation of an affiliates relation board is nearing reality. Recent steps have pushed that effort toward a May deadline. Needless to say, not everyone touched by the effort is pleased. **Page 31.**

Piracy prevention

HBO has announced that within 10-12 months, it should have a scrambling device ready for distribution to its affiliates. The move was prompted by HBO's concern that unauthorized users were "pirating" the satellite signal. **Page 13.**

HBO
HOLLYWOOD

This week in *CableVision Plus*

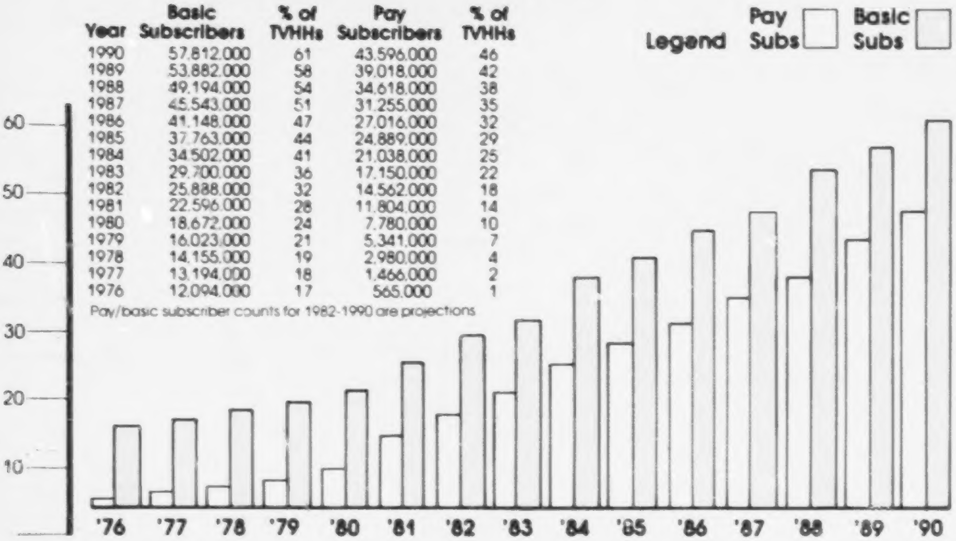
An in-depth interview with 20th Century-Fox Chairman and Chief Executive Officer Alan Hirschfield brings perspective to the disclosure of a joint cable venture between 20th Century-Fox Film Corporation and CBS Inc. In a related piece, Jeri Baker examines exclusive pay TV licenses and the Hollywood/cable relationship. Completing the programming theme is a pay service discussion of adult fare, including the rating process, scheduling and public opinion. **Pages 35-58.**

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



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Percent of HP with basic cable . . 54.35%

Pay cable subscribers 11,804,000

Percent of TVHH with pay cable 14.62%

Percent of HP with pay cable 28.39%

Percent of basic subs with pay cable 52.24%

Film product comparison—March

Film	Networks					Distributor
A Fistful of Dynamite			TMC			MGM/UA
A Global Affair		ST				MGM/UA
A Night Full of Rain					C*	Warner Bros.
A Nightingale Sang in Berkeley Square	HBO					Gold Key
Alice, Sweet Alice	HBO*					Lorimar
All Night Long	HBO*		TMC*			Universal
All Screwed Up	HBO*					New Line Cinema
Altered States	HBO*	(ST)	(TMC)			Warner Bros.
American Pop	HBO		TMC			Columbia
The Angel Wore Red					C	MGM/UA
Animal Crackers					C*	Universal
Any Which Way You Can	HBO		TMC	HTN		Warner Bros.
The Apple			(TMC)		C	Swank
The Asphalt Jungle		ST	(C)			MGM/UA
The Attic		(ST)			C	Film Gallery
Battleground					C	MGM/UA
Bedknobs and Broomsticks	HBO			HTN		Disney/Buena Vista
The Belles of St Trinians					C	Allen Enterprises
Best Friends					C	Gold Key
The Big Red One			TMC	(HTN)	(C)	Lorimar
The Black Hole	HBO*		TMC*	(HTN)		Disney/Buena Vista
The Black Pearl	HBO					Columbia
The Blues Brothers			TMC*			Universal
Breaker Morant	(HBO)	(ST)	(TMC)	HTN		New World
Breaking Point					C	20th Century-Fox
Bronco Billy	HBO*		(TMC)			Warner Bros.
Bustin' Loose	HBO		TMC			Universal
Caddie			(TMC)		C	Film Gallery
Caveman			TMC			MGM/UA
Cat and the Canary	HBO				(C)	Universal
The Changeling					C*	Chessman Park
Chapter Two	HBO*		(TMC)			Columbia
Charlie Chan and the Curse of the Dragon Queen	HBO*					American Comm.
Cheech and Chong's Next Movie	(HBO)		TMC			Universal
Cleopatra Jones					C*	Warner Bros.
The Competition	HBO*	ST*	(TMC)	HTN		Columbia
Countdown to Disaster		ST				ITC
Crazy Mama		ST				New World
Death in Venice			TMC			Warner Bros.
Death Race 2000		ST				New World
Dirty Tricks	HBO					Embassy
The Dream Never Dies				HTN		TSG
Dressed To Kill	HBO		TMC*		(C)	Filmways
The Electric Horseman	HBO*	(ST)	(TMC)			Columbia
The Elephant Man	(HBO)	(ST)	(TMC)	HTN*		Paramount
Escape from Alcatraz	(HBO)	ST*		(HTN)		Paramount
Everything You've Always Wanted To Know About Sex But Were Afraid To Ask			(TMC)		C*	MGM/UA

Film	Networks					Distributor
The Exterminator		ST				Embassy
Eyes of a Stranger	HBO*					Warner Bros.
Eyewitness	HBO		TMC			20th Century-Fox
Fame		(ST)	(TMC)		C	MGM/UA
The Final Conflict	HBO		TMC			20th Century-Fox
The First Deadly Sin					C*	First Deadly Sin Co.
The First Family		(ST)	(TMC)		C	Warner Bros.
Five Fingers of Death					C*	Warner Bros.
Flare-Up					C	MGM/UA
Flash Gordon	HBO					HBO
Fort Apache, The Bronx	HBO*					HBO
The Four Assassins			TMC			World Northal
The Four Horsemen of the Apocalypse		ST				MGM/UA
The 400 Blows					C	Janus
Foxes		(ST)	TMC		(C)	MGM/UA
From Hell to Victory	(HBO)		(TMC)	HTN*		Worldvision
From Noon Till Three					C	MGM/UA
The Funhouse	HBO*		(TMC)			Universal
Galaxina		ST*	(TMC)			Crown International
The Girl and the General					C	MGM/UA
Girlfriends					C	Warner Bros.
Gloria		(ST)		HTN*		Columbia
The Great Diamond Robbery		ST				MGM/UA
Green Horizons				HTN		Sanrio
The Hand			TMC			Warner Bros.
Happy Birthday, Gemini			TMC*		(C)	MGM/UA
Hardly Working					C	Hardly Working Co.
The Hearse		ST				Viacom
Heidi				HTN		Warner Bros.
The Hellstrom Chronicles					C*	HBO
Home from the Hill		ST				MGM/UA
Honeysuckle Rose	(HBO)		TMC	HTN		Warner Bros.
Hopscotch	HBO	ST*	(TMC)			Viacom
H.O.T.S.		(ST)	(TMC)		C	Blum Group
Hot Lead and Cold Feet		(ST)	TMC			Disney/Buena Vista
The Howling		ST	(TMC)		C*	Wescom
Hugo the Hippo				HTN		Columbia
Humanoids from the Deep		ST*				New World
The Hunter				HTN*		Paramount
I Sent a Letter to My Love	HBO		TMC			Atlantic
Improper Channels	(HBO)		(TMC)	HTN*		Crown International
Island of 1,000 Delights		ST				K-Pay
It's Alive					C	Warner Bros.
Johnny, We Hardly Knew Ye					C	HBO
Jimi Hendrix					C	Warner Bros.
Kagemusha				HTN		20th Century-Fox
The Kid from Left Field					C	HBO
Killing Kind		ST				Atlantic
King of Kings		ST				MGM/UA
Kramer vs. Kramer	(HBO)	ST*	(TMC)	(HTN)		Columbia
Leo and Loree				HTN*		HBO

Cable stats

Film	Networks					Distributor
The Longest Yard	HBO	(ST)	(TMC)			Paramount
Lost Horizon	HBO					Columbia
Loving Couples	(HBO)				C	HBO
The Man Who Saw Tomorrow	HBO*		(TMC)			Warner Bros.
Melvin and Howard		ST*	(TMC)		(C)	Universal
My Bloody Valentine			TMC*			Paramount
My Bodyguard	(HBO)	(ST)	(TMC)	HTN*	(C)	20th Century-Fox
The North Avenue Irregulars		(ST)	TMC			Disney/Buena Vista
North by Northwest					C	MGM/UA
The Nude Bomb	(HBO)			HTN*		Universal
Ode to Billy Joe			TMC		C	Warner Bros.
Oh, God!	HBO					Warner Bros.
Oh, God! Book II			(TMC)	HTN	C*	Warner Bros.
Olly Olly Oxen Free	HBO					HBO
Oliver Twist				HTN	(C)	Warner Bros.
One On One				HTN		Warner Bros.
One Trick Pony		ST*	(TMC)			Warner Bros.
Ordinary People	(HBO)	ST*	(TMC)			Paramount
The Other Side of the Mountain, Part II					C*	Universal
Outrageous					C	Baxter
The Outsider	(HBO)		TMC			Paramount
Pete's Dragon	(HBO)		(TMC)	HTN		Disney/Buena Vista
Phobia	(HBO)	ST*			(C)	Paramount
The Pilot	(HBO)		(TMC)	HTN*		Atlantic
The Pinchliffe Grand Prix	(HBO)	ST	(TMC)			GGC
Popeye	(HBO)	ST*	(TMC)	HTN*		Paramount
The Postman Always Rings Twice	HBO		TMC			Lorimar
The Private Eyes	(HBO)			HTN		HBO
The Purple Taxi		ST				Quartet Films
Raging Bull	HBO*	ST*	(TMC)			MGM/UA
Resurrection	(HBO)	(ST)	TMC	HTN*	(C)	Universal
The Return	(HBO)		TMC*			G.F.M. Ltd.
Return Engagement					C*	HBO
Roadie			TMC		(C)	MGM/UA
Robin Hood				HTN		Warner Bros.
Rockshow		ST*			(C)	Miramax
The Rollicking Adventures of Eliza Fraser	HBO					Authenar Investments
Savage Weekend		ST*				Swank
Sayonara					C*	Samuel Goldwyn Co.
Second Hand Hearts			TMC			Lorimar
The Secret of Seagull Island	HBO					ITC
Seven Women					C*	MGM/UA
She's 19 and Ready		ST				Telepictures
Shock Waves			TMC			Samuel Goldwyn Co.
The Shogun Warriors: Grandizer		ST*				Blum Group
The Shogun Warriors: Starvengers		ST				Blum Group
Shoot the Sun Down					C*	Gold Key
Simon	HBO*		(TMC)			Warner Bros.
Skatetown U.S.A.			TMC			Columbia
Smokey and the Bandit II		ST*	(TMC)	(HTN)		Universal
Snowball Express	(HBO)	(ST)	(TMC)	HTN*		Disney/Buena Vista
Somewhere in Time	HBO*	ST*	TMC	HTN*		Universal
Sphinx	HBO*		(TMC)			Warner Bros.
Squeeze Play		ST				Troma
St. Ives			(TMC)		C	Warner Bros.
Star Trek—The Motion Picture			TMC*	(HTN)		Paramount
Stay Hungry			(TMC)		C	MGM/UA
Steel				HTN*	(C)	HBO
Stories from a Flying Trunk					C*	HBO
The Stunt Man	HBO		(TMC)			Columbia
Sunday in New York					C	MGM/UA
The Tender Trap		ST*				MGM/UA
Tess			TMC*	HTN	C*	Columbia
Thief	HBO		TMC			MGM/UA
This is Elvis	(HBO)		TMC*	HTN		Warner Bros.
Those Lips, Those Eyes			TMC		(C)	MGM/UA
Thunderbirds in Outer Space		ST*				ITC
Toby and the Koala Bear			TMC			Satori
Tribute	HBO*					Kudos Films
Trilogy	HBO*	(ST)				Viacom
Tuck Everlasting		(ST)	(TMC)	HTN		Coe Films
The Tunnel of Love		ST				MGM/UA
Twelve Plus One		ST				Ho-Tel
Two English Girls					C	Janus
Underground Aces			TMC			Filmways
Up River		ST*	(TMC)			Gold Key
Valentino			TMC			MGM/UA
The Way We Were	(HBO)	ST*	(TMC)			Columbia
When Hell Was in Season	HBO					HBO
Wholly Moses	HBO					Columbia
Why Would I Lie?		(ST)		HTN*		MGM/UA
The Wild Child					C*	MGM/UA
The World's Greatest Athlete	(HBO)	ST		(HTN)		Disney/Buena Vista
Xanadu	(HBO)		(TMC)	HTN*		Universal
The Young Lovers					C	MGM/UA

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network/HTN Plus (launching this month)
C—Cinemax

■ Networks in parentheses indicate carriage in October, November, December, January and/or February.

■ An asterisk following a network indicates the film is a carry-over from October, November, December, January and/or February.

■ In total, 183 films appear on the March schedules of HBO, Showtime, The Movie Channel, HTN/HTN Plus and Cinemax. Of those titles during the last six months (October-December 1981, January-February 1982), two titles ("My Bodyguard," "Resurrection") have appeared on all five networks. Seven titles have been shown on four services, 32 on three and 46 on two networks. Ninety-six films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 31 titles, followed by Warner Brothers with 27, and the tandem of Universal and Columbia with 14 apiece.

■ Clear choice for the March program guide covers is Clint Eastwood plus traveling companion from "Any Which Way You Can." The film gets front billing on the guides of HBO, Showtime, The Movie Channel and HBO/Cinemax. Showtime also features Barry Manilow in a scene from his upcoming concert special. Sharing space on Cinemax: "Flash Gordon," "The Postman Always Rings Twice" and "Barefoot in the Park," a new video adaptation of the Neil Simon smash. In its first monthly guide, Home Theater Network features "Tess."

Special Notes

1) Several changes have been made in the pay distributor listings of the chart, due to recent developments. Films by United Artists and MGM will now be grouped under the MGM/UA banner. Avco Embassy Films will now be listed as Embassy.

2) "Alice, Sweet Alice," a film appearing on HBO last month, was presented on the service under the title "Holy Terror." The service has decided to reshow the film this month with the original title.

Top 20 cable MSOs

Rank	Multiple System Operator	Subscribers
1.	American Television and Communications	1,810,000
2.	Tele-Communications, Inc.	1,646,566
3.	Teleprompter/Westinghouse	1,642,381
4.	Cox Cable Communications	1,098,663*
5.	Storer Cable Communications	850,000*
5.	Warner Amex Cable Communications	850,000*
7.	Times Mirror	667,497*
8.	Newhouse Broadcasting**	588,794
9.	Rogers UA Cablesystems***	560,882
10.	Viacom Cablevision****	530,097
11.	United Cable Television	463,494
12.	Continental Cablevision	456,900
13.	Sammons Communications	444,221
14.	TeleCable Corporation	297,100
15.	Cablecom General/Capital Cities	292,949
16.	General Electric Cablevision	287,000*
17.	Heritage Communications	244,201
18.	Cablevision Systems Development	219,164*
19.	Comcast Corporation	218,012
20.	Daniels & Associates	217,649

*Subscriber counts as of 12/31/81. Those without notation are as of 1/31/82.
**Includes MetroVision, NewChannels and Vision Cable.
***Includes UA-Columbia and U.S. Cablesystems (Rogers).
****Includes 40 percent ownership in Nor-Cal Cable.

Top 20 cable systems

Rank	Location	Operator	Subscribers
1.	San Diego, CA	Cox Cable	210,590*
2.	Manhattan, NY	ATC	153,800*
3.	Oyster Bay (Long Island), NY	Cablevision Systems	140,000*
4.	East Orange, NJ	Maclean Hunter Cable	131,779*
5.	Los Angeles, CA	Teleprompter	104,750
6.	Wayne, NJ	Rogers UA Cablesystems	101,670
7.	Tulsa, OK	United Cable TV	97,488
8.	Erie County, NY	Prime Cable	92,833
9.	San Jose, CA	Gill Industries	89,799
10.	San Antonio, TX	Rogers UA Cablesystems	88,710
11.	Audubon, NJ	NYT Cable	84,610*
12.	Tidewater, VA	Cox Cable	80,559*
13.	Austin, TX	ATC	80,000*
14.	Central Islip, NY	Viacom	79,853
15.	Honolulu, HI	ATC	79,000*
16.	Orlando, FL	ATC	76,100*
17.	Manhattan, NY	Teleprompter	70,210
18.	Toledo, OH	Buckeye Cablevision	68,961
19.	Seattle, WA	Teleprompter	68,665
20.	Wilmington, DE	Rollins Cablevision	68,579

*Subscribers as of 12/31/81. Those without notation are as of 1/31/82.

CBS cable

- CBS bracing Wall Street for wet, red ink
- Mile Hi wins Denver franchise — easily
- Satellite News Channels sets the date
- Showtime unleashes national campaign

CableVision

The news and features weekly of the cable television industry
March 8, 1982

1 C8920-2 3/82

CVFL20014CON452 05/30/82-2
CONGRESSIONAL INFO SERVICE
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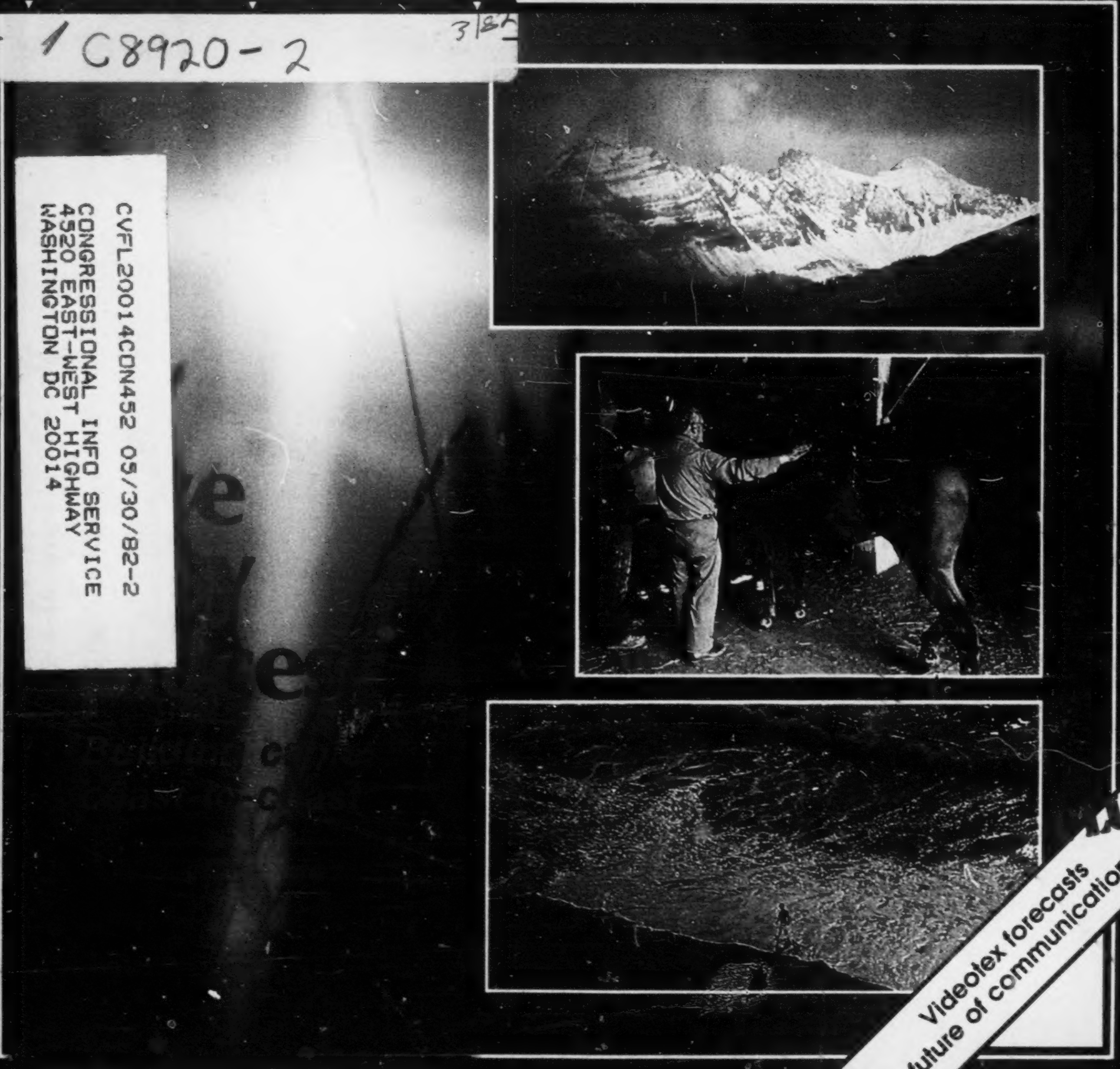
WASHINGTON DC 20014



PLUS
Videotex forecasts future of communications

BEST AVAILABLE COPY

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Cover story

This week's cover story focuses on construction operations in five different communities—each with a different geography and a different management. But all have a common goal—to build a high quality system on time and in tune with the communities' needs. Cover photos by Rob Stuehrk. **Page 93.**

Creativity binge

While some firms are waiting for the cable programming explosion to reach them, the Corporation for Entertainment and Learning claims to be doing very well right now. **Page 25.**

Going national

USA Network and Post-Newsweek Productions have reached an historic agreement. The end result of that cooperative venture is to put *Sonya* in the cable limelight. **Page 25.**

Keeping active lines

Home Box Office officials boast the lowest churn rate in the industry. However, the company is not satisfied with its current figures and is moving fast to keep even more subscribers. **Page 37.**

Trying harder

Having a good spot in the line doesn't amount to a hill of beans, especially in the fiercely competitive multipay market. Home Box Office is working to correct that problem in Ann Arbor, Mich. **Page 39.**

Holding their ground

The Television Bureau of Advertising and the Cabletelevision Advertising Bureau are holding their positions on the increasingly heated issue of where to spend ad dollars. **Page 43.**

Caveat: Go steady

Advertising agency directors are taking the position of slow and sure in the mounting fight for the ad dollar. Opinions were in stark contrast to those offered a week ago and are adding fuel to the fire. **Page 43.**

Taking a mile

Holiday Inns got into teleconferencing more as an afterthought than by design. Now the large hotel chain is actively seeking new means and technology to enhance its potential gold mine. **Page 49.**

Around the bush

AT&T continues to attract a great deal of attention from a wide range of interested audiences. Rep. Timothy Wirth is conducting House hearings on his bill addressing some of those issues—it's proving exasperating. **Page 115.**

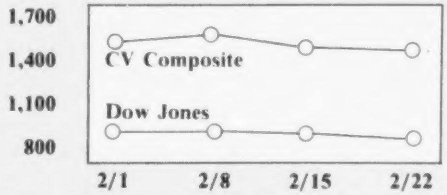
Highest ranking

Valley Cable TV has scored at the top of the list in a California franchise battle. Canadian investors are part of that consortium and may end up fighting an even bigger war over proposed legislation. **Page 121.**

This week in *CableVision Plus*

Dow Jones embraces a new communications era with its interactive information services, changing the face of an informed reader's "must" list. Editor Jeri Baker examines the company's multi-faceted system. Analyzing systems in Portland, Ore., Omaha, and Cincinnati, a six-month study finds that videotex may spell financial risk for MSOs. High development cost and low initial penetration are the culprits. Completing the operations theme, a third article measures the advance of the quiet billing revolution. Operators are slowly making the transition from primitive to sophisticated computer methods. Pages 69-92.

Advances 17
Declines 41
Unchanged 12
CV Manufacturers 613.88
CV Operators 579.25
CV Services 305.56



THE MARKET

Company	Stock Exch.	Closing Feb. 22	Closing Feb. 15	Net Change in Period	% Change in Period	1981 High	1981 Low	P/E Ratio
Operating Companies								
Acton	ASE	8	7⅞	- ⅛	3.23	21⅞	9	12
Adams Russell	ASE	20⅝	20¾	- ⅛	0.60	29⅛	17⅝	16
AEL (Am Elec Lab)*	OTC	10	10¼	- ¼	2.44	20¼	11¼	d
Central Telephone	NYS	29⅛	29⅜	- ¼	0.85	35¾	23⅛	8
Comcast A	OTC	19	19¾	- ¾	3.80	27½	17⅜	19
Cox Broadcasting	NYS	34⅛	34⅛			39⅛	27⅛	17
General Electric	NYS	60¾	60	+ ¾	1.25	69⅞	51⅛	9
Harte-Hanks	NYS	25¼	26⅞	-1⅝	4.19	40¼	28½	12
Heritage Comm.	OTC	8⅝	9½	- ⅞	9.21	16⅜	9¼	36
Jones Intercable A	OTC	5	5¼	- ¼	4.76	8⅝	4¾	33
Multimedia, Inc.	OTC	34	34			37¼	27	13
New York Times	ASE	34½	34⅛	+ ⅜	1.10	38½	26½	9
Rogers Cablesystems B	OTC	6⅞	6⅞			15⅝	6	
Rollins, Inc.	NYS	15⅞	16⅛	- ¼	1.55	22½	14	9
Storer Brdcstg.	NYS	25⅛	24⅜	+ ¾	3.08	43	23¾	16
TCI (Tele-Comm.) A	OTC	21¼	21¼			31¾	16⅝	51
Times Mirror	NYS	43¾	43⅞	- ⅛	0.28	58½	39¾	11
United Cable TV	NYS	25¼	24⅞	+ ⅜	1.51	36	18½	24
Viacom	NYS	20	21	-1	4.76	33¾	22	15
Warner Comm.**	NYS	55⅞	58⅝	-2¾	4.69	58⅝	33⅝	18
Westinghouse**	NYS	22½	24	-1½	6.25	34½	23	5
Wometco Cable TV	OTC	9	8¾	+ ¼	2.86	16¼	8¼	28
Wometco Enterprises	NYS	21¼	19½	+1¾	8.97	25¼	14⅝	10
Wrather	ASE	23	23			29⅞	18⅝	d
Service and Finance Companies								
Allied Artists	OTC	⅛	⅛			¼	⅛	
AM Cable TV*	OTC	6¼	6⅜	- ⅛	1.96	24¾	6¼	d
Am. Edu. TV Network	OTC	3/16	3/16			4	⅛	
Avco	NYS	15¼	15⅜	- ⅛	0.81	32⅞	16	5
Burnup & Sims	OTC	12⅛	11¾	+ ⅜	3.19	17⅞	11½	12
Capital Cities Comm.**	NYS	71¾	72	- ¼	0.35	80½	56½	12
Disney (Walt) Prod.	NYS	49⅝	49	+ ⅝	1.28	67⅛	43⅜	14
Gulf & Western	NYS	16	16⅛	- ⅛	0.78	22⅛	14	5
MCA	NYS	45	46⅝	-1⅝	3.49	59	38⅝	11
MGM Filmco	NYS	6¼	6⅛	+ ⅛	2.04	12⅞	5¾	10
TeleMine Co.	OTC	1⅛	1⅜	- ¼	18.18	13	1⅛	
Time Inc.**	NYS	34¼	33	+1¼	3.79	41⅜	26⅝	15
Transamerica	NYS	21	21¼	- ¼	1.18	26¼	17½	7
Turner Broadcasting	OTC	9	9¼	- ¼	2.70	20	6½	d
Tymshare, Inc.	NYS	17⅝	19¼	-1⅝	8.44	57¼	23¼	11
Manufacturers and Distributors								
Anixter	NYS	15⅛	15⅝	- ½	3.20	20⅞	12⅛	10
Arvin	NYS	12¾	12½	+ ¼	2.00	18	11¾	7
Augat	NYS	23½	22⅜	+ ⅛	0.56	34⅞	23¾	16
Cable TV Industries	OTC	9	9½	- ½	5.26	18¾	9¼	12
C-COR Electronics	OTC	18¼	18⅝	- ⅜	2.01	21¼	10½	25
Compact Video	OTC	4¾	4⅜	+ ⅜	8.57	24⅜	6⅜	8
Comtech	OTC	4⅜	4	+ ⅜	9.38	7⅛	2¼	17
Contl. Tel.	NYS	15¼	15⅝	- ⅜	2.40	19½	14¾	7
Datavision	OTC	5⅜	5½	- ⅛	2.27	7½	2½	d
Eastman Kodak	NYS	66⅞	69⅜	-2½	3.60	85⅝	60⅝	9
Gen. Instrument	NYS	36⅞	37	- ⅛	0.34	46¾	24⅜	14
GTE	NYS	28¼	29¼	-1	3.42	34⅛	24½	7
Harris Corp.	NYS	33	34⅛	-1⅛	3.30	60¼	37½	12
Insilco	NYS	16¼	16½	- ¼	1.52	22½	14⅛	7
IVC (Intl. Video)	OTC	⅛	⅛			⅜	⅛	
M/A-COM, Inc.	NYS	20⅛	22⅜	-2¼	10.06	35½	20⅜	24
Microdyne	OTC	13¼	13¼			33¾	13	16
3M	NYS	54½	55	- ½	0.91	65	48	10
No. Amer. Phillips	NYS	33⅝	34	- ⅜	1.10	59⅝	35¾	6
Oak Industries**	NYS	29⅛	28⅜	+ ¾	2.64	38½	21⅛	14
RCA	NYS	17⅞	20⅛	-2⅝	12.88	32¼	16¾	9
RMS	ASE	7¾	8	- ¼	3.13	20	7½	12
S.A.I.. Cable Comm.	OTC	6½	6½			15⅝	6	8
Scientific-Atlanta	NYS	23¾	24	- ¼	1.04	34¾	18⅛	25
Sony	NYS	14¾	14⅝	+ ⅛	0.85	26⅛	14½	14
Tektronix	NYS	48¾	48¾			63¼	45⅛	12
Telemation	OTC	2⅛	2⅛			3⅜	1¾	
Texscan	ASE	14⅛	15½	-1⅜	8.87	22½	9⅞	23
Times Fiber Comm.	OTC	19	20	-1	5.00	28⅞	16⅛	25
TOCOM	OTC	9	9¾	- ¾	7.69	15¼	8¼	d
Wavetek	OTC	10	9¾	+ ¼	2.56	21½	10	16

* Also indicates involvement in manufacturing.
** Also indicates involvement in entertainment and/or system operation.
d indicates deficit.

buted the increase to proliferating cable markets and subsequent demand for network promotion and standard conversions of foreign programming.

Alpha opens new building

Alpha Technologies has moved into its new 15,000 square foot facility. According to F. Kaiser, president, the move was necessary to accommodate the firm's rapid growth sparked particularly by the CATV market.

Nielsen high on future

A.C. Nielsen Jr., chairman and chief executive officer, has told stockholders he expects 1982 sales and profits to exceed record levels attained in 1981. Nielsen cited services, technology, organizational quality and a rational dividend process for his projections.

MCI exercises option

RCA American Communications Inc. has announced that MCI Telecommunications Corp. has exercised an option to lease a minimum of 2,000 voice-grade channels on the Satcom satellite system. The option is part of a three-year service agreement.

Polaproof labels chosen

MGM/CBS Home Video has selected to use Polaproof as a deterrent to counterfeiting of trademark goods. The optically unique authentication material will be used on all of its cassettes for the "First Run" Home Video Theater rental program.

CableBus investment made

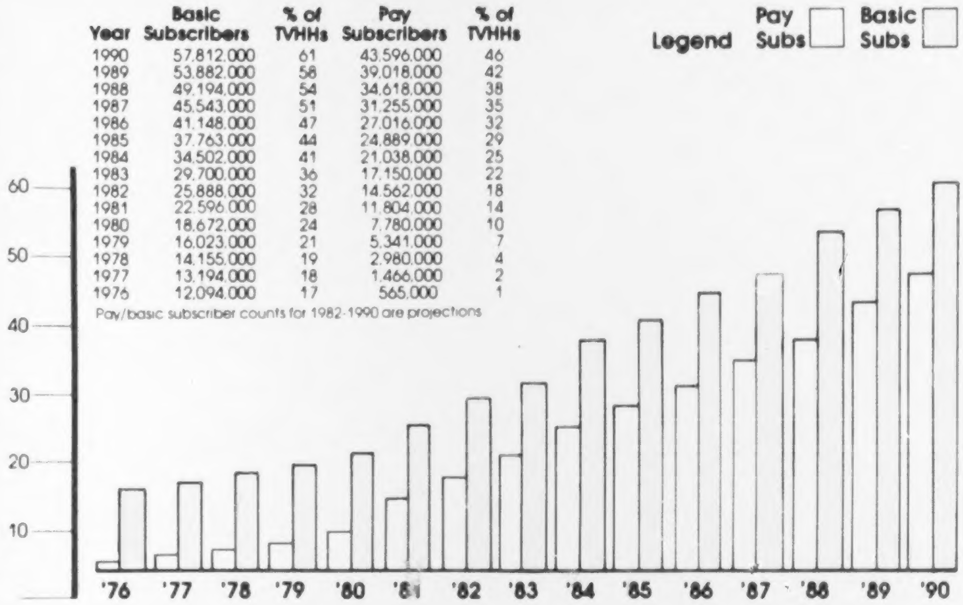
Telephone Utilities, which is 80 percent owned by a holding company of Pacific Power and Light, has invested $1.5 million in CableBus Systems Corporation. The agreement gives Telephone Utilities a debt instrument that is convertible into CableBus common stock.

Cable penetration in top 25 TV markets

Rank	Market	Cable Subscribers*
1	New York City	1,349,907
2	Los Angeles	624,728
3	Chicago	175,751
4	Philadelphia	693,157
5	San Francisco	663,484
6	Boston	288,091
7	Detroit	175,275
8	Washington, D.C.	79,425
9	Cleveland	265,391
10	Dallas/Fort Worth	116,496
11	Pittsburgh	552,676
12	Houston	192,176
13	Minneapolis/St. Paul	44,945
14	St. Louis	94,034
15	Seattle/Tacoma	236,616
16	Atlanta	208,150
17	Miami	288,327
18	Tampa/St. Petersburg	169,035
19	Baltimore	69,682
20	Denver	53,637
21	Indianapolis	165,050
22	Sacramento/Stockton	402,349
23	San Diego	361,940
24	Portland, OR	85,239
25	Kansas City, MO	112,912

*Cable penetration in 50 mile radius of market city subscriber totals from "CableFile/82"

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

Satellite line up

Satcom IIIR (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, BET	9
Showtime (west)	10
Warner Amex (MTV Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, AETN	16
Showtime, (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network early evening)	21
HBO/Modern Satellite Network, leased for Daytime March 1982	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV—Launched January 15, 1982, 24 transponders, 4/6 Ghz, slated to be operational April 1982
Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar III (Western Union)	**Transponder**
Audio	1
Hughes Television Network, Blairsat	2
Intelsat (Mexico)	3
Audio	4
Occasional use	5
CBS Cable	6
Robert Wold Company	7
SIN	8
SSS (SPN)	9
ABC TV	10
CNN	11
Eternal Word Television Network/occasional video services	12

Westar IV—Projected launch February 25, 1982
Westar V—Projected launch September 1982

Comstar D-2 (AT&T/GTE)	**Transponder**
ESPN (Rainbow Programming/Bravo-evenings)	3H
National Christian Network (subleased to Rainbow/Escapade)	4V
SIN	4H
Warner Amex	6V
HBO (Cinemax-east, temporary)	7V
Showtime (subleased to Compact Video)	8V
Trinity Broadcasting	9V
HBO	9H
American Medical Buildings	10V

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Franchising calendar

This chart examines the franchise status of communities during the last quarter of 1981 and the beginning of 1982. "Pending" refers to communities which are in the franchising process but have yet to make an award.

Arizona
Glendale—award to Camelback Cable (Storer) 12/81, 35,000 homes
Scottsdale—award to United Cable Television 11/81, 44,000 homes
Tucson—award to Cox Cable Communications 10/81, 135,000 homes

California
Alameda—pending
Bellflower—pending
Boyle Heights—award to Buena Vista Telecommunications 1/82, 23,000 homes
Compton—award to CATV West 11/81, 22,000 homes
East San Fernando Valley—formal presentations on 2/25
East Yolo—pending
Garden Grove—award to Rogers Cablesystems 2/82, 40,000 homes
Gardena—award to Teleprompter 2/82
Grand Terrace—pending
Hacienda Heights—pending
Hawaiian Gardens—award to CATV West 1/82
Hawthorne-pending
Lakewood—applications due 4/30/82
Lomita—proposals due 2/15/82
Los Alamitos—proposals due 1/12/82
Sacramento—applications due 3/15/82, final selection expected this fall
San Fernando—pending
San Mateo County (Ladera Heights, Baldwin Hills, Lennox)—award to Jack Barry Cable TV 9/81, 12,000 homes
Santa Ana—award to Teleprompter 12/81, 65,600 homes
Santa Fe Springs—award to Cablesystems Pacific 10/81
Seal Beach—award to Teleprompter 10/81, 13,900 homes
South Los Angeles—pending
South Whittier—pending
Torrance—award to Teleprompter 2/82, 52,000 homes

Colorado
Cherry Hills—award to United Cable 2/82, 1,600 homes
Denver—Mile Hi Cablevision chosen for negotiation 2/22/82
Edgewater—pending
Greenwood Village—pending
Longmont—second vote on award 5/4/82
Northglenn—pending
Thornton—award to American Television and Communications 1/82, 15,000 homes
Wheatridge—pending

Florida
Miami—award to Americable/Tele Communications Inc. 10/81
Plant City—award to Plant City Cablevision 12/81
Plantation—award to Planned Cable Systems 1/82
Tampa—RFP expected late spring/early summer
Walden Lake—pending

Georgia
Lithonia—award to Cable DeKalb (Cable America) 12/81, 900 homes

Illinois
Brookfield—pending
Chicago—cable ordinance adopted, RFP expected in May
Flossmoor—award to Centel Cable 2/82, 2,800 homes
Lake County—south central unincorporated areas award to Centel Communications; northern portion award to U.S. Cable of Waukegan 12/81
Lincolnwood—pending
Schiller Park—award to Continental Cablevision of Cook County 11/81
Skokie—award to Teleprompter Corp. 12/81, 21,000 homes
Thornton—award to Centel Communications 11/81
Woodridge Village—award to Cablevision of Chicago 12/81, 8,600 homes

Indiana
Boone County (unincorporated areas)—pending
New Palestine—award to Quality Cable TV of Sheridan 11/81
Spring Lake—Quality CATV contract tentatively approved 1/82
Thorntown—pending
Westfield—award to Moblesville Cablevision 1/82
Zionsville—pending

Iowa
Denver—award to Heritage Communications 1/82
Waverly—award to Heritage Communications 1/82

Kentucky
Oldham—award to Oldham County Cablevision 10/81, 10,000 homes
Pioneer Village—award to Bullitt County Communications (Matrix) 1/82, 280 homes

Maryland
Baltimore—RFP expected early spring
Montgomery County—eight bids received 2/3/82
Prince George's County—northern portion (120,000 homes) award to Storer Cable Communications; southern portion (100,000 homes) award to MetroVision 12/81

Massachusetts
Bellingham, Mendon—award to Southern Massachusetts Cablevision (Alda Group) 1/82, 5,500 homes
Bridgewater—applications for license due 2/16/82
Brockton—award to Continental Cablevision 10/81
Brookline—award to Times Mirror 9/81
Foxboro—award to Cablevision Systems 1/82
Hull—applications for license due 4/5/82
Milton—award to American Cablesystems 2/82, 8,500 homes
North Reading—award to Rollins Cablevision 11/81
Norton—award to Rollins Cablevision 1/82, 3,600 homes
Norwell—applications due 1/29/82
Salisbury—award to New England Cablevision 1/82
Westford—award to Nashoba Cable Communications Inc. 1/82
Westwood—award to Adams Russell 1/82
Whitman—applications for license due 3/1/82

Michigan
Detroit—pending
Farmington Hills—award to MetroVision 2/82, 36,000 homes
Inkster—award to Barden Cablevision 10/81
Oak Park—pending
Oakland County (Birmingham, Beverly Hills, Bingham Farms, Franklin)—award to Booth Communications 1/82, 15,000 homes
Royal Oak—award to Barden Cablevision 10/81
Southfield—award to Continental Cablevision 10/81, 33,000 homes
Sterling Heights—award to Comcast Cablevision 2/82, 35,000 homes

Minnesota
Arden Hills—pending
Columbia Heights, Hilltop—award to Teleprompter 12/81, 7,700 homes
Falcon Heights—pending
Lauderdale—pending
Little Canada—pending
Kasson—proposals due 1/11/82
Mounds View—pending
New Brighton—pending
North Oaks—pending
Owatonna—pending
Roseville—pending
St. Anthony—pending
Shoreview—pending

Missouri
Claycomb—pending
Glenaire—pending
Maplewood—award to Continental Cablevision 1/82
Pleasant Valley—pending
Riverside—pending
St. Louis—pending

Nevada
Clark County—award to Community Cable TV (Times Mirror) 9/81

New Jersey
Woodstown—award to Penn Communications 10/81

New York
Aurora, Aurelius, Cayuga, Cayuga County, Ledyard, Springport, Union Springs—proposals due 1/82
Harrison—pending
Lawrence—award to Adams Russell 9/81, 2,000 homes
New York City—completion of preliminary negotiations expected 2/82. Final award expected in spring
Westfield—proposals due 12/81

North Carolina
Davie County—proposals due 3/1/82

Ohio
Avon—award to Continental Cablevision of Northeast Ohio 10/81
Avon Lake—award to Continental Cablevision of Northeast Ohio 11/81
Berea—award to Complexicable 9/81
Brooklyn—municipal ownership decision pending
Brunswick—award to Brunswick Cable Communications 10/81
Cleveland—pending
Garfield Heights—Cox award overturned 10/81
Highland Heights—award to Viacom Cablevision 12/81
Jackson Township—award to Warner Amex Cable Communications 1/82, 10,000 homes
Maple Heights—award to Viacom Cablevision 1/82
Middleburg Heights—six bids received. Award expected late February, early March
Riveredge Township—award to Riveredge Cablevision Co. 12/81
Wadsworth—award to Warner Amex Cable Communications 2/82, 6,000 homes
Whitehouse—pending

Oregon
East Multnomah County—pending
Gresham—negotiating for franchise
Lake Oswego—award to Storer/Metro 12/81
McMinnville—proposals due 3/1/82
Milwaukie—Liberty Cable's proposal rejected 1/82
Newburg, Dundee—award to Liberty Communications 10/81
St. Helen's—award to Harmon Telecommunications 2/82, 3,000 homes

Pennsylvania
Philadelphia—three franchises pending

Rhode Island
Middletown, Portsmouth, Tiverton, Little Compton—pending

Tennessee
Ashland City—award to Cablevision Enterprises of Tennessee 11/81
Cheatham—award to Cablevision Enterprises 1/82
Germantown—award to Germantown Cablevision Associates 12/81

Texas
Plano—award to Collin County Communications (Storer) 12/81, 20,000 homes

Utah
Fruit Heights—business license granted to Wasatch Cable 11/81

Virginia
Dinwiddie County—applications due 4/30/82
Fairfax County—two proposals submitted 2/15/82
Staunton—pending
Suffolk—award to Cross Country Cable 9/81, 11,600 homes

Washington
Seattle—RFP expected February

Wisconsin
Brookfield—award decision tabled until 3/2/82
Kenosha—pending
Mequon—award to RVS Cablevision of Wauwatosa 12/81
Milwaukee—six firms gave presentations of proposals, award expected early summer
Mukwonago—award to RVS Cablevision 1/82
Muskego—award to RVS Cablevision 11/81

- Epidemic of cable legislation sweeps California
- Has the National Football League excluded cable?
- FCC sets low-power criteria
- Cable urges Congress for AT&T restraints

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CableVision

The news and features weekly of the cable television industry
March 15, 1982

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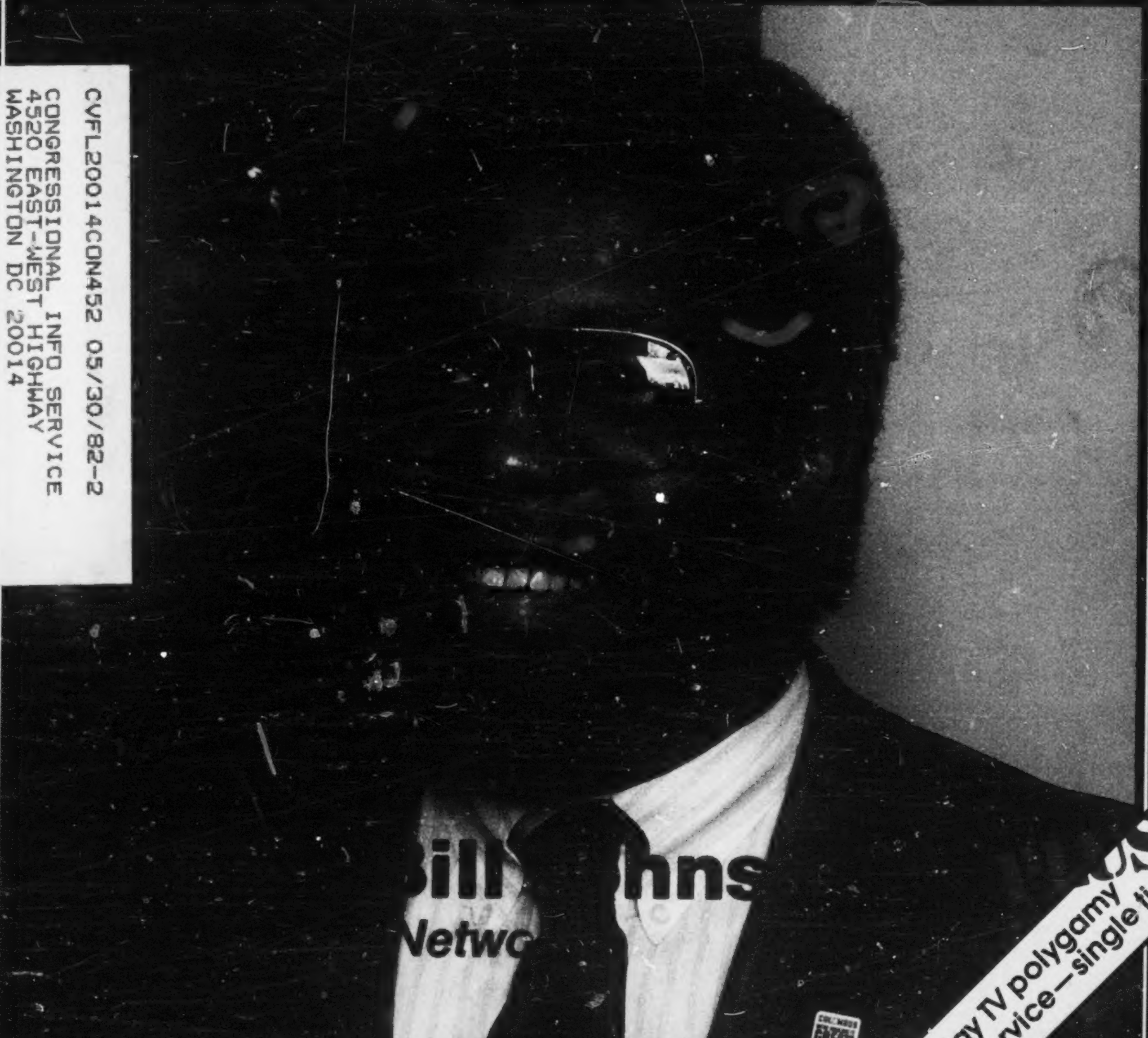

Pay TV polygamy
multiservice—single tier

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CableVision

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Epidemic of cable legislation sweeps California
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Cable urges Congress for AT&T restraints
CableVision
Pay TV polygamy

About the cover

William Johnson has found the winning combination with his marketing techniques for his Columbus, Ohio, system—the first black-owned operation in the country. In an exclusive interview with *CableVision*'s Peter Evanow, Johnson elaborates on other goals for minorities—namely the Black Cable Network. *CV Plus*, **page 48**.

Bound for Broadway

The Entertainment Channel has embarked upon a first—financing and co-producing a new play. *Close Ties* will be launched in Los Angeles on stage, hopefully travel to Broadway and then to cable. **Page 25**.

On basic's plate

USA Network and the Entertainment and Sports Programming Network, two basic cable services, have found themselves allied with commercial broadcasters. What appear to be odd couples are turning into good business. **Page 25**.

Playboy's second effort

CableVision's reviewer Robert DiMatteo gives *Playboy*'s second video effort higher grades, but also points out that many problems still plague the show. The co-hosts especially draw some strong words. **Page 27**.

Revolution or evolution?

Cable experts addressing workshops hosted by the ANA could not agree on the answers to key questions facing the industry. The focus of the events centered on cable growing up to be like its parent, broadcast television. **Page 30**.

Greeted by cheers

Sectors of the cable industry have bestowed nearly blanket approval of moves to start an audience research study. Tests will be conducted on six methodologies used to measure viewership. **Page 30**.

Ups, downs

Storer Broadcasting has reported record earnings. The company's cable division, however, posted a drop in profit. Company officials blame the condition on heavy investments in new-builds. **Page 55**.

Window shoppers

Group W is facing an FCC mandate to unload some of its Teleprompter systems. The firm has received some tentative nibbles from other companies about purchase possibilities. However, Manhattan Teleprompter is attracting attention and it's not part of the FCC divestiture order. **Page 55**.

Parting ways

Vector Enterprises and Satellite Syndicated Systems have parted ways on a transponder contract. It appears that the situation has not created problems for either firm. **Page 55**.

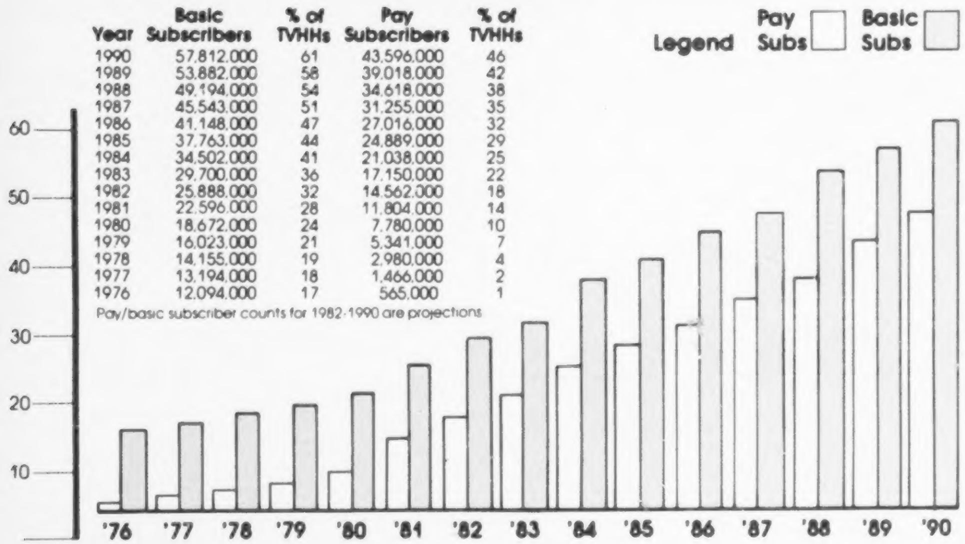
Filling the pool

The Centennial Fund, the equity fund set up by Daniels & Associates to help finance cable projects, is very near the $10 million mark. Company officials are pleased, considering the economic climate. **Page 55**.

This week in *CableVision Plus*

Pay TV polygamy—a phenomenon that results when multiple pay services are marketed on a single tier—is explored by Los Angeles bureau chief Patricia Goldstone. In a *CV Plus* interview, Walter Reichel, media planner at the Ted Bates advertising agency, expounds on his cable buying philosophy. Completing the Marketing-Advertising theme is a profile of William Johnson and the Columbus, Ohio, KBLE system, the first black-run cable system in the country. **Pages 31-54**.

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) . . .	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable . .	14.93%
Percent of HP with pay cable . .	28.69%
Percent of basic subs with pay cable	52.81%

STV over view

Market	Service—Launch Date Adult Tier—Launch Date	Subscribers 9/15/81	Subscribers 1/31/82	% Taking Adult Tier	Rates	Adult Tier Schedule
Ann Arbor	IT/TV—Sept. 1981 "Night Owl"—Sept. 1981	11,000 base 10,700 adult	14,500 base 14,000 adult	97	$22.95 3.95	Nightly, begins 11 p.m.
Chicago	ON TV—Sept. 1980 "Optional Viewing"—April 1980	101,500 base 61,300 adult	111,000 base 72,000 adult	65	21.95 4.95	Tues-Sat, begins 11:30 p.m.; Fri, double feature.
Cincinnati	Home Entertainment Network—Feb. 1980 "On Plus"—Sept. 1980	37,000 base 12,000 adult	40,000 base 16,500 adult	40	20.95 4.95	Tues, Thur, Fri, Sat, begins 12:30 a.m. (Apr, Tues-Sat)
Dallas	ON TV—March 1981 "Adults Only"—July 1981	10,000 base 5,000 adult	not available	86	19.95 4.95	Tues-Sat, begins 11 p.m.
Washington, D.C.	Super TV—Nov. 1981 "Night Life"—Nov. 1981	not available	18,000 base 16,200 adult	90	19.95 4.95	Thur-Sat, begins 11 p.m.
Miami	ON TV—Jan. 1980 "Adults Only"—Nov. 1980	40,000 base 27,000 adult	37,333 base 26,630 adult	71	19.95 4.95	Tues-Sat, begins 11 p.m.
Milwaukee	SelecTV—June 1980 "Night Owl Theatre"—June 1980	27,600 base 24,900 adult	34,000 base 30,225 adult	89	19.95 5.00	Nightly, begins 11 p.m.
Philadelphia	Wometco—July 1981 "Rendezvous"—July 1981	1,500 base 1,200 adult	8,800 base 8,400 adult	95	21.00 5.95	Tues-Sat, begins midnight; Fri-Sat, double feature.
Phoenix	ON TV—Sept. 1979 "Adults Only"—Oct. 1980	38,200 base 24,500 adult	not available	64	19.95 4.95	Tues-Sat, begins 11:30 p.m.

Top 100 MSOs

Rank	Multiple System Operator	Subscribers
1	American Television and Communications (12/81)	1,810,000
2	Tele-Communications Inc	1,646,566
3	Teleprompter/Westinghouse	1,642,381
4	Cox Cable Communications (12/81)	1,098,663
5	Storer Cable Communications	874,935
5	Warner Amex Cable Communications (12/81)	850,000
7	Times Mirror	670,721
8	Newhouse Broadcasting*	588,794
9	Rogers UA Cablesystems	560,882
10	Viacom Cablevision*	530,097
11	United Cable Television	463,494
12	Continental Cablevision	456,900
13	Sammons Communications	444,221
14	TeleCable Corporation	297,100
15	Cablecom General/Capital Cities	292,949
16	General Electric Cablevision	287,500
17	Heritage Communications	244,201
18	Cablevision Systems Development	219,438
19	Comcast Corporation	218,012
20	Daniels & Associates	217,649
21	Liberty Communications (9/81)	208,298
22	Wometco Communications	197,116
23	Tele-Media Corp (12/81)	197,000
24	Service Electric Cable TV	189,000
25	TCA Group	179,507
26	Maclean Hunter*	170,826
27	Century Communications (10/81)	165,000
28	Multimedia Cablevision	153,442
29	Western Communications	149,000
30	Colony Communications (12/81)	146,524
31	Jones Intercable	135,153
32	Prime Cable (12/81)	125,126
33	Midwest Video (12/81)	114,615
34	Harris Cable Corp (12/81)	110,000
35	Communications Service (8/81)	110,000
36	Centel Cable Television	108,483
37	Rollins Cable Vue (12/81)	106,800
38	Tribune Company Cable (12/81)	104,137
39	Harron Communications Corp (12/81)	89,093
40	Buckeye Cablevision	86,710
41	Cable Vision Industries	84,480
42	Armstrong Utilities*	84,267
43	Cablentertainment	77,073
44	Multi-Channel TV Cable	75,332
45	Palmer Communications	73,706
46	McDonald Group	72,838
47	Alda Group	67,351
48	Adams-Russell	67,124
49	Perry Cable TV Corp	67,083
50	King Videocable Company	65,467
51	Buford Television (12/81)	64,395
52	Omni Cable TV	64,072
53	Summit Communications	61,719
54	Omega Communications (12/81)	60,000
55	WEHCO Video	58,695
56	Communications Systems	56,813
57	Booth Communications	55,046
58	Televents (9/81)	55,046
59	National Telecommunications Company (12/81)	54,600
60	Coaxial Communications	54,500
61	Pencor Services	52,789
62	The Essex Group	51,076
63	Southern Oregon Cable TV	51,018
64	Consolidated Cable Systems	50,600
64	Cable America	50,600
66	US Cable Corp	50,000
67	UltraCom Inc	48,139
68	Gulf Coast Cable Television	47,993
69	Acton Corp	46,177
70	Cross Country Cable (before final sale of HJ systems)	43,887
71	Sonic Cable TV (7/81)	43,642
72	Clear TV Cable Corp (12/81)	43,400
73	Adelphia	43,213
74	Falcon Communications	43,000
75	Cable TV of Puget Sound (includes bulk dwellings) (12/81)	41,856
76	Susquehanna Broadcasting	40,133
77	The Daily Press (12/81)	40,000
77	Greater Media (12/81)	40,000
77	Lenfest Group	40,000
80	Nor-Cal Cablevision (McClatchy-Viacom)	39,826
81	Total TV Inc (12/81)	39,122
82	McCaw Communications	38,248
83	Fetzer Cablevision	35,500
84	Oak Communications	33,251
85	Joseph S Gans (12/81)	32,590
86	Six Star Holding Company (7/81)	30,000
87	Selkirk Communications	29,190
88	Commonwealth Cable of Massachusetts (12/81)	27,773
89	Hellicon Corp	27,753
90	Lawrence Flinn Jr	27,042
91	Gerity Cablevision	26,000
92	Midcontinent Cable Systems	25,000
93	Columbia Communications Corp	24,655
94	Cable Holdings Inc	24,482
95	Potomac Valley TV Company	24,163
96	Jim R Smith & Company (8/31)	22,128
97	Mickelson Media (7/81)	21,077
98	Teltron Inc	21,700
99	ENI Communications	21,000
100	Harmon & Company	20,824

*Newhouse Broadcasting includes MetroVision, NewChannels and Vision Cable. Maclean Hunter includes Metro, Suburban and Wayne Cable. Armstrong Utilities includes Armstrong Communications Corp., National Cable TV Corp. and North Lauderdale Cablevision. Viacom Cablevision includes 40% ownership in Nor-Cal Cable.

Top 100 systems

Rank	Location	Operator	Subscribers
1	San Diego, CA	Cox Cable	210,797
2	Manhattan, NY	ATC	(12/81) 153,800
3	Oyster Bay (Long Island), NY	Cablevision Systems Development	145,968
4	West Orange, NJ	Maclean Hunter Cable	133,266
5	Los Angeles, CA	Teleprompter	104,750
6	Wayne, NJ	Rogers UA Cablesystems	101,670
7	Tulsa, OK	United Cable TV	97,488
8	Erie County, NY	Prime Cable	92,833
9	San Jose, CA	Gill Industries	89,799
10	San Antonio, TX	Rogers UA Cablesystems	88,710
11	Audubon, NJ	NYT Cable	86,155
12	Tidewater, VA	Cox Cable	81,112
13	Austin, TX	ATC	(12/81) 80,000
14	Central Islip, NY	Viacom Cablevision	79,853
15	Honolulu, HI	ATC	(12/81) 79,000
16	Orlando, FL	ATC	(12/81) 76,100
17	Jefferson Parish/Kenner, LA	Cox Cable	71,599
18	Hartford/Meriden, CT	Times Mirror	71,084
19	Manhattan, NY	Teleprompter	70,210
20	Toledo, OH	Buckeye Cablevision	68,961
21	Seattle, WA	Teleprompter	68,665
22	Wilmington, DE	Rollins Cablevision	68,579
23	Grand Rapids, MI	General Electric	68,300
24	San Francisco, CA	Viacom Cablevision	60,804
25	San Diego, CA	ATC	(12/81) 60,600
26	Flint, MI	Comcast	59,218
27	Baton Rouge, LA	Daniels & Associates	58,192
28	Monterey, CA	Western Communications	(12/81) 57,600
29	Buffalo, N.Y.	Minneapolis Star Tribune	56,551
30	Santa Barbara, CA	Cox Cable	(12/81) 55,208
31	Allentown, PA	Twin County Cable	55,000
32	Columbus, OH	Warner Amex Cable	(12/81) 54,000
33	Wichita, KS	Multimedia Cablevision	54,000
34	Melbourne, FL	ATC	(12/81) 53,600
35	Memphis, TN	ATC	(12/81) 52,200
36	Suburban Rochester, NY	People's Cable	51,900
37	Snohomish County, WA	Viacom Cablevision	51,853
38	Jacksonville, FL	ATC	(12/81) 51,450
39	Harrisburg, PA	Sammons Communications	51,101
40	Binghamton, NY	NewChannels	50,825
41	Sarasota, FL	Storer Cable	49,400
42	El Paso, TX	Teleprompter	49,370
43	Bedford, MA	Warner Amex Cable	(12/81) 49,000
44	Louisville, KY	Times Mirror	48,523
45	Baltimore County, MD	Caltec Cablevision	48,315
46	Columbus, OH	Coaxial Communications	48,228
47	Seattle, WA	Viacom Cablevision	47,571
48	Canton, OH	Warner Amex Cable	(12/81) 47,000
49	San Rafael, CA	Viacom Cablevision	46,320
50	Reading, PA	ATC	(12/81) 46,200
51	San Diego County, CA	Times Mirror	45,058
52	South Bend, IN	Buford	45,000
53	Des Moines, IA	Heritage Communications	44,800
54	West Haven, CT	Storer Cable	43,900
55	Pompano Beach, FL	American Cable TV	43,862
56	Eugene, OR	Teleprompter	43,750
57	Shreveport, LA	ATC	(12/81) 43,725
58	Peoria, IL	General Electric	43,600
59	Akron, OH	Warner Amex Cable	(12/81) 43,000
60	Oklahoma City, OK	Cox Cable Communications	42,575
61	Albany, NY	ATC	(12/81) 42,500
62	Spokane, WA	Cox Cable	42,314
63	New Britain, CT	United Cable	41,475
64	Birmingham, AL	ATC	(12/81) 41,100
65	Moline, IL	Cox Cable	41,047
66	Scranton, PA	Verto Cable TV	(12/81) 39,906
67	Charlotte, NC	ATC	(12/81) 39,350
68	Bakersfield/Kern County, CA	Warner Amex	(12/81) 39,300
69	Brookhaven, NY	Rogers UA Cablesystems	39,128
70	Branford, CT	Rollins Cable Vu	39,010
71	Lincoln, NE	MetroVision	38,811
72	Bridgeport, CT	The Alda Group	38,243
73	Jackson, MS	ATC	(12/81) 38,150
74	Lansing, MI	Continental Cablevision	37,940
75	Overland Park, KS	TeleCable	37,600
76	Naples/Marco, FL	Palmer Communications	37,476
77	Winston-Salem, NC	Summit Communications	37,352
78	Port Arthur, TX	Liberty Communications	37,300
79	Deerfield, NY	Harron Communications	37,047
80	Northwest Houston, TX	Warner Amex Cable	(12/81) 37,000
81	West Palm Beach, FL	Teleprompter	36,975
82	Fayetteville, NC	ATC	(12/81) 36,600
83	Stuart, FL	Perry Cable	36,355
84	St Petersburg, FL	Teleprompter	36,325
85	Palm Desert, CA	Palmer Communications	36,230
86	Springfield, IL	Times Mirror	36,034
87	Charleston, SC	Storer	35,000
88	Dover, NJ	Sammons Communications	34,970
89	Honolulu, HI	TV Systems Inc	34,700
90	Cleveland, OH	Viacom Cablevision	34,478
91	Dade/Broward County, FL	Storer Cable	34,000
91	Madison, WI	Complete Channell TV	34,000
93	Cleveland, OH	Cox Cable	33,765
94	Waterbury, CT	Sammons Communications	33,679
95	Beacon, NY	Colony Communications	33,313
96	Syracuse, NY	NewChannels	33,283
97	Pensacola, FL	Cox Cable	(12/81) 33,188
98	York, PA	Susquehanna Broadcasting	33,116
99	Colorado Springs, CO	ATC	(12/81) 33,000
99	Concord, CA	Western Communications	(12/81) 33,000
99	Altoona, PA	Warner Amex	(12/81) 33,000
100	Colorado Springs, CO	Century Communications	33,000

Note: Subscriber counts in these charts are as of 1/82 unless noted otherwise

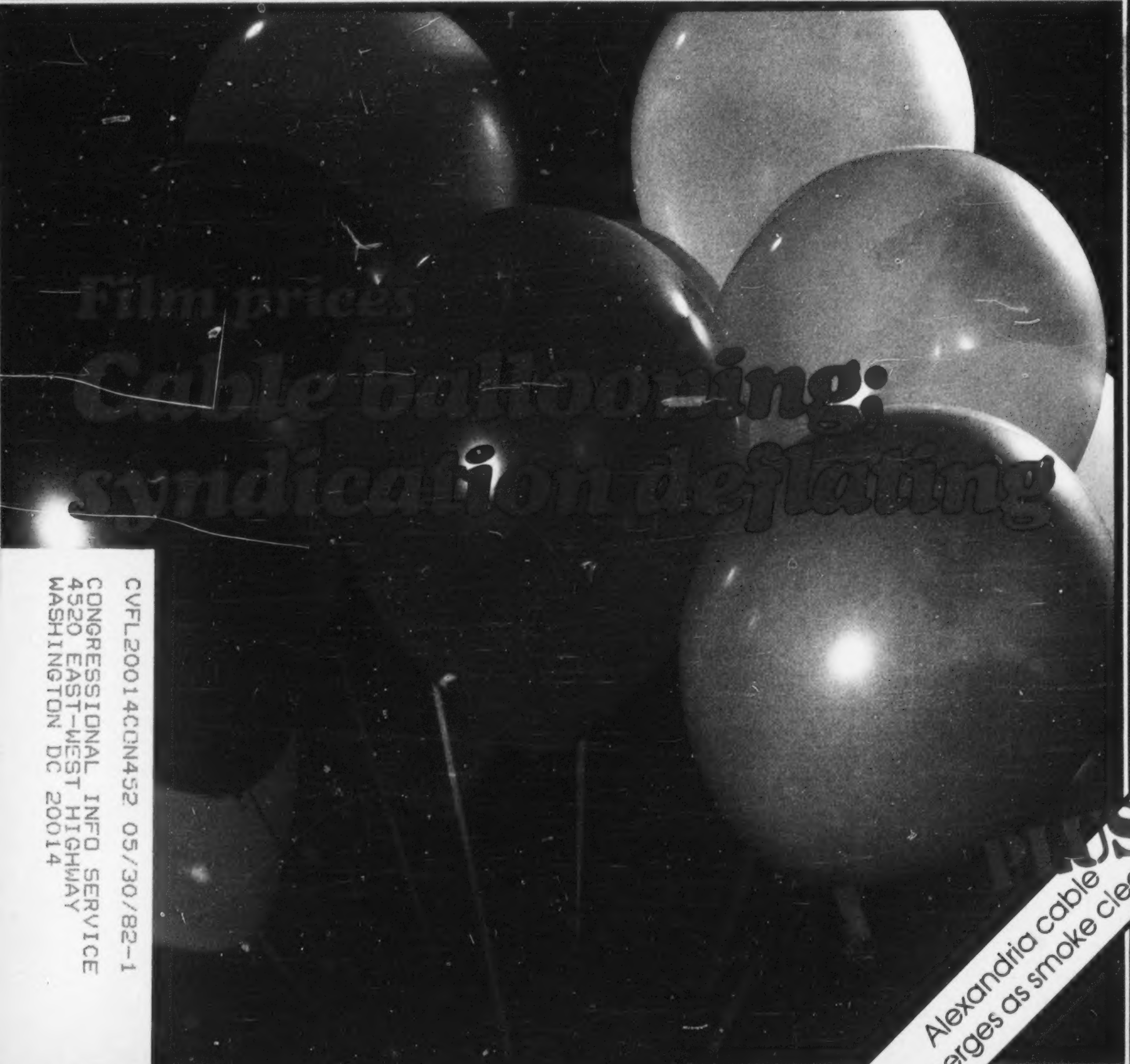
13

- Pioneer breaks through converter problems
- Goldwater's bill insures full debate on issues
- Rifkin leaves ATC, links up with Marvin Davis
- ABC hustling to correct negative image

1 C8920-2
3/17/82

CableVision

The news and features weekly of the cable television industry
March 22, 1982



Film prices
Cable ballooning; syndication deflating

PLUS
Alexandria cable emerges as smoke clears

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CableVision Volume 7, Number 28, March 22, 1982

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CableVision

About the cover

The annual NATPE convention—one of the splashiest of industry gatherings—is underway in Las Vegas. Syndicators and programmers making this year's pilgrimage may find that the balloon has burst for film product prices. But, the good news is cable fees are soaring. **Page 21.**

Keeping his promise

The controversial nature of some of the provisions in Sen. Barry Goldwater's cable bill are certain to guarantee that the issues will get a full hearing. **Pages 13-19.**

Changes at the top

ATC's Monroe Rifkin is leaving his post as chairman and chief executive officer to form a cable venture with Marvin Davis. **Pages 13-19.**

'Judge us by our deeds'

ABC Executive Vice President Frederick Pierce has sent letters to clarify the network's stance toward cable. **Pages 13-19.**

Cablevision crossed

Cablevision Systems' move to take on the problem-laden Bronx franchise has miscued as NYC officials grant plum areas to other MSOs. **Pages 13-19.**

Creativity urged

Participants of the Ohio Cable Television Association's annual convention, "Cable '82," have been urged to be creative in approaches to cable. **Pages 13-19.**

Technological threat

Backyard earth stations are popping up at a rate that is causing concern in the industry and could represent a real threat. **Pages 13-19.**

Late-night Romance

Showtime is getting ready to introduce its limited serial concept and has picked a program with an adult theme to test the idea. **Page 21.**

Technical difficulties

Technical problems snarl ESPN/ABC Video plans for a pay sports venture. **Page 23.**

Global sales pitch

Worldwide programming supported by international advertising is believed possible by the end of the century. **Page 27.**

Bendix advances spurned

RCA has begun efforts to counter moves by the Bendix Corp. to acquire more than 5 percent of outstanding RCA stock. **Page 29.**

Storer restored

A Maryland petition drive to force Prince George's County franchise award to a vote has been disqualified by a judicial ruling. **Page 61.**

Antitrust shelters

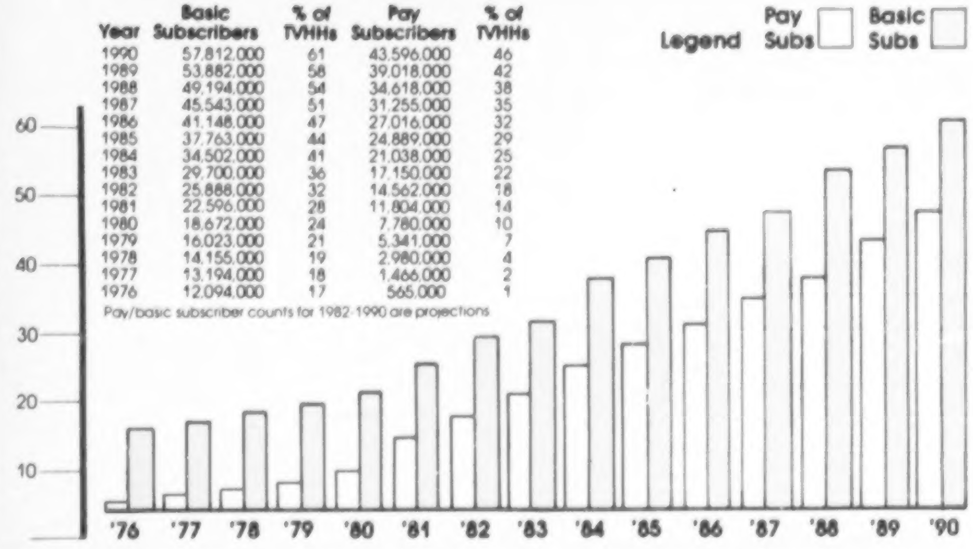
State lawmakers are rushing to provide legislation to protect cities from legal action over exclusive franchise awards. **Page 63.**

This week in *CableVision Plus*

After a tumultuous prologue, cable is established in Alexandria, a city that ultimately chose financial stability over local ownership. Washington bureau chief Pat Gushman chronicles the city's change of heart and the system's change of hands. Details of Time Inc.'s plans for electronic publishing and *The Washington Post*'s and Metromedia's divergent paths to cable continue the Business/Finance theme. Pages 37-60.

Cable stats

Pay/basic cable growth



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1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
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Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

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Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
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Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

Cable programming services' subscriber counts

Basic Cable Services	Affiliates*	Subscribers*	% Change In Homes From 1/31
ACSN	206	1,552,568	+12
AETN[1]			
BET	804	8,900,000	N.C.
CBN	2,700	15,200,000	+3
CBS Cable	350	4,000,000	+33
Christian Media Network[2]			
CNN	2,019	11,353,400	+3
CNN2	68	800,000	+3
C-SPAN	1,200	11,000,000	N.C.
Episcopal Television Network[2]			
ESPN	3,395	14,694,216	+4
Eternal Word Television Network	23	300,000	N.C.
MSN	541	4,100,000	N.C.
MTV (as of 1/1)	300	2,500,000	N.C.
National Christian Network (as of 3/2)	29	313,034	+4
National Jewish Television	75	1,712,250	+4
Nickelodeon/ARTS (as of 1/1)	1,350	6,200,000	N.C.
North American Newstime	115	884,000	N.C.
PTL[3] (as of 3/4)	529	4,700,000	+7
SIN[4]	175	21,393,490	N.C.
SPN[5]	431	4,273,934	+17
Trinity (as of 1/31)	140	1,271,562	N.C.
USA Network	1,750	10,000,000	N.C.
WGN	2,485	8,053,963	+2
WOR	1,281	4,812,232	+2
WTBS	3,941	19,580,000	N.C.
Basic Audio Services			
Lifestyle	47	450,315	+50
WFMT	117	692,583	+5
Pay Services			
Bravo(as of 1/31)	22	47,000	N.C.
Cinemax (as of 12/31/81)	600+	1,000,000	N.C.
Escapade/Playboy (as of 1/31)	106	200,000	+8
GalaVision (as of 1/31)	122	95,000	N.C.
HBO (as of 12/31/81)	3,300+	8,500,000	N.C.
Home Theatre Network (as of 1/31)	275	155,000	N.C.
The Movie Channel (as of 1/1)	1,500	1,750,000	N.C.
Private Screenings[6]			
Showtime (as of 12/31/81)	1,300	2,860,000	N.C.
Regional Pay Services			
Madison Square Garden Network	47	1,242,697	
PRISM/New England[7]			
PRISM/Philadelphia area	70	281,076	
SportsChannel	18	205,000	

Announced Satellite-fed Cable Services	Projected Launch Date
Black Music Cable Channel	third quarter 1982
The Buena Vista Channel	to be announced
Cable Health Network	first quarter 1982
Cable Newspaper Corporation	6/82
Cinemerica	mid-1982
Chromatic Animation	fall 1982
Daytime	3/82
Delta (ABC/Getty)	T.B.A.
The Disney Channel	first quarter 1983
EROS	4/82
Family Programming Network (Billy Batts)	T.B.A.
Heartbeat Media Network	third quarter 1982
The Health Channel	3/82
Home Music Store (audio)	second quarter 1982
Home Theatre Network Plus	3/82
Inter Media Entertainment Service	T.B.A.
Kid Vid Network	second quarter 1982
Lewmark Productions Music Channel	T.B.A.
LVEN	T.B.A.
Nashville Network	3/83
National Jazz Network (audio)	4/82
Nostalgia Network	T.B.A.
Penthouse Entertainment Network	T.B.A.
RCTV/Entertainment Channel	6/82
Satellite News Channels (channel one)	6/82
Satellite News Channels (channel two)	first quarter 1983
Sitcom Channel (Channeltainment)	first quarter 1984
SPN/international network	second quarter 1984
SPN/fincial-religious network	second quarter 1984
SPN/classic movie service	second quarter 1984
SPN/how-to network	second quarter 1984
Spanish Universal Network	third quarter 1982
Times Mirror Shopping Channel	T.B.A.
UTV Cable Network	second quarter 1982
Video Concert Hall (relaunch)	T.B.A.
The Weather Channel	5/82
Window	T.B.A.

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*Affiliated and subscriber counts are as of February 28, 1982, unless otherwise noted.

[1] AETN is no longer transmitting, its programming will appear on CBN.

[2] No longer transmitting; are looking for satellite time.

[3] Subscriber count for PTL last month was erroneous, it should have been 4.4 million.

[4] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 2,772,500.

[5] Subscriber count denotes households receiving signal.

[6] Private Screenings is no longer on satellite, it is, however, still operating as a stand-alone pay service.

[7] PRISM/New England began programming 11/1/81, no subscriber figures are available yet.

N.C. designates no change

National cable advertising

This chart lists national advertising sales by the basic cable networks during February 1982.

Network/client	Status
BET	
Amtrak	Renewal
Anheuser-Busch	Renewal
Carson Products (Dark & Lovely)	Renewal
Ford (Lincoln-Mercury)	Renewal
General Electric	Renewal
General Foods	Renewal
General Mills	Renewal
Inglenook Wines	New client
Mobil Oil	Renewal
Pepsico	Renewal
Philips Petroleum	Renewal
Sears	Renewal
U.S. Army	Renewal
U.S. Navy	Renewal
Westinghouse	Renewal
Wrigley's	Renewal
Xerox	Renewal
CNN/CNN2	
American Home Products	Renewal
Carrier	New client
CSX Corporation	Renewal
Dart & Kraft (Duracell)	Renewal
Georgia Pacific	New client
Hanes (L'Eggs)	Renewal
Home Video magazine	New client
Penthouse Publications (Omni magazine)	New client
Sears	Renewal
South African Airways	Renewal
UGL Paints	Renewal
Universal Pictures	New client
ESPN	
Ace Hardware	Renewal
Activision	Renewal
American Express	Renewal
American Home Products	Renewal
AMF (Head)	New client
Dart & Kraft (Duracell)	New client
Dow Jones	Renewal
Embassy Films	Renewal
Firestone	Renewal
Fram	Renewal
General Motors (Truck Division)	Renewal
Georgia Pacific	New client
Hitachi	Renewal
Home Video magazine	New client
IBM	Renewal
Johnson&Johnson	Renewal
Kemper Insurance	Renewal
Michelin	Renewal
Minolta	Renewal
Missouri Hickory Baseball Bat*	New client
On Cable magazine*	New client
Penthouse Enterprises (Omni magazine)	Renewal
Questor (Spalding)	New client
SportsShack	Renewal
U.S. Tobacco	Renewal
Universal Pictures	Renewal
Warner Communications (Atari)	Renewal
WASEC for MTV, TMC, Nickelodeon	Renewal
Witco (Kendall Oil)	New client
Xerox	Renewal
Yamaha	Renewal
MSN	
General Foods	Renewal
Idaho Potato Commission	New client
S.C. Johnson	New client
SIN	
Anheuser-Busch	New client
Colgate-Palmolive	New client
SPN	
Avon Books	Renewal
American Express	Renewal
American Tourister	Renewal
Diamond International Investment	Renewal
Estee Lauder	Renewal
HBO	Renewal
Irish Aer Lingus	Renewal
Kodak	Renewal
London Airlines	Renewal
Peugeot	Renewal
Pierre Cardin	Renewal
The Stardust Hotel	Renewal
Urban General	Renewal
TeleFrance U.S.A.	
Chanel	Renewal
Club Med	Renewal
Rif Aquitaine	Renewal
Exxon	Renewal
Made in France International*	Renewal
Peugeot	Renewal
USA Network	
Activision	New client
American Express	Renewal
American Home Products (Demorex Shampoo)	New client
American Home Products (Chef Boy-R-Di)	New client
Anheuser-Busch	Renewal
Caesars Palace*	New client
Colgate-Palmolive	Renewal
Dart & Kraft (Duracell)	New client
Ford	Renewal
Missouri Hickory Co.	New client
NAP Consumer Electronics*	New client
On Cable magazine	New client
Philip Morris (Miller Brewing)	Renewal
Toyota	Renewal
Xerox	Renewal
WTBS	
Ashland Oil	New client
Consumer Reports	Renewal
Foster Grant	Renewal
Gulf Oil	Renewal
Johnson&Johnson	Renewal
John Deere	New client
Michelin	Renewal

*New to national network advertising

- Dolan again: Unique package bid in Sacramento
- IRTS plays host to get-together of cable executives
- Cooperation surfaces at NATPE convention
- Franchise repeal petition launched in Denver

1 C8920-2 3/25/82

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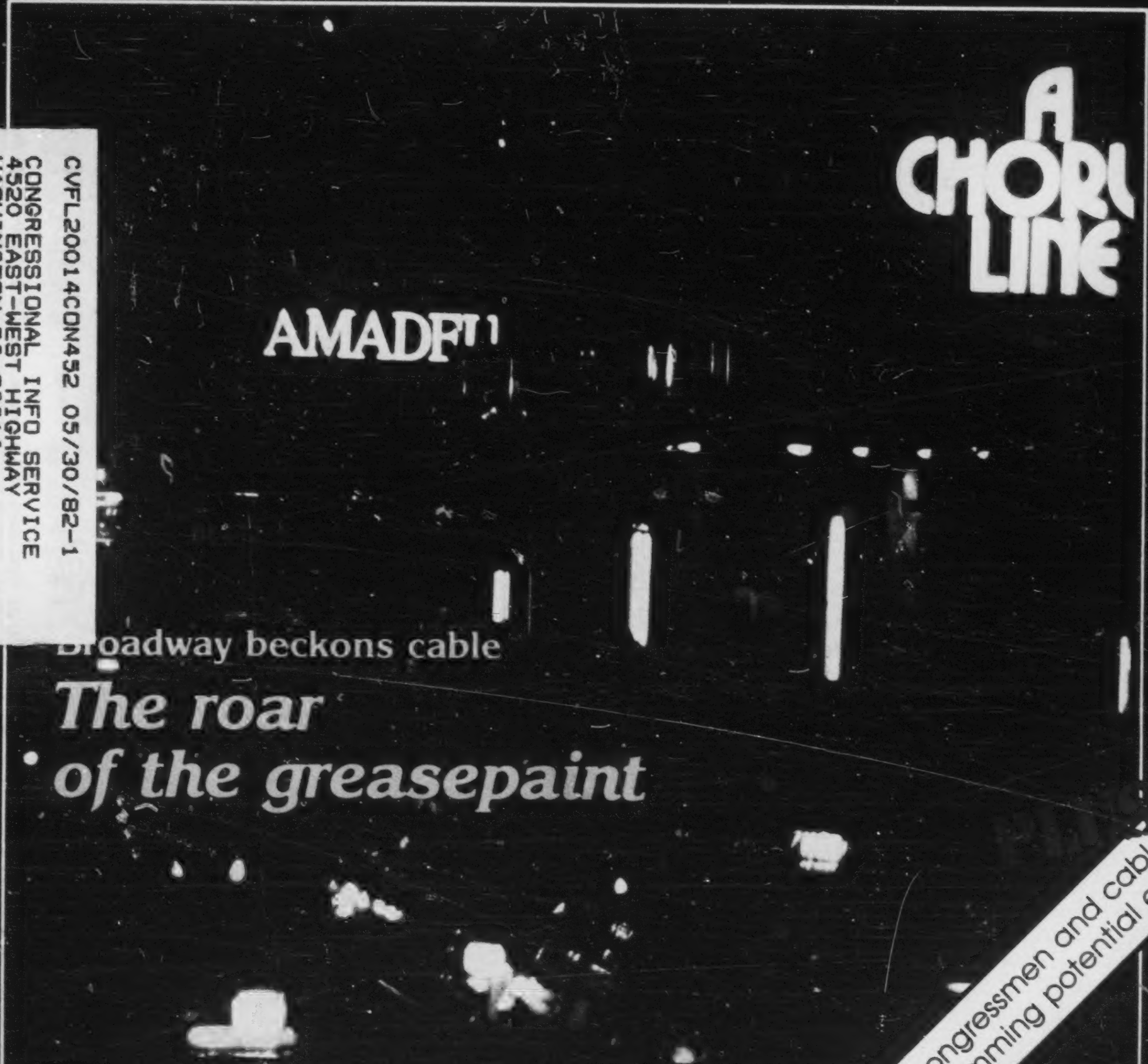

Broadway beckons cable

The roar of the greasepaint

Of congressmen and cable: Programming potential eyed

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Museum without walls
ABC Video Enterprises and New York's Metropolitan Museum have joined forces to bring the world of great masterpieces into the modern realm of cablecasting. **Page 22.**

Sacramento gamble
Cablevision Systems' innovative chairman of the board, Charles Dolan, is offering another first for the industry—a basic pay package for $19.50 a month including HBO and interactive services. **Leading the week, pages 13-16.**

Mile high ruckus
Petition drives are underway to repeal the recently awarded franchise in Denver. Factions are bringing out the big guns in what could turn out to be a major battle. **Leading the week, pages 13-16.**

Issues and answers
The International Radio and Television Society Luncheon on Thursday was its first totally devoted to issues in the cable industry. Five cable network presidents were on hand to field the questions. **Leading the week, pages 13-16.**

Transponding the gap
Buyers and sellers of satellite transponders urged the FCC to allow outright sales. Not surprisingly, a majority of comments favor the open market approach with transponders allocated on a non-common carrier status. **Leading the week, pages 13-16.**

Unification sweeps NATPE
This year's NATPE convention seemed to carry a heavy tone of programming cooperation while rumors of a merger with the NCTA added to spirit of facing new challenges. **Page 23.**

Warhol joins ranks
Andy Warhol has taken his *Interview* magazine to cable on MCTV's Channel 10. *CableVision*'s Robert DiMatteo took a look at the offering and points out that Warhol has maintained his style on the tube. **Page 26.**

HDTV profits
A recently completed CBS-sponsored study makes many good comments about the advantages of HDTV. The most notable of those is the fact that dramatic revenue increases could loom for cable. **Page 51.**

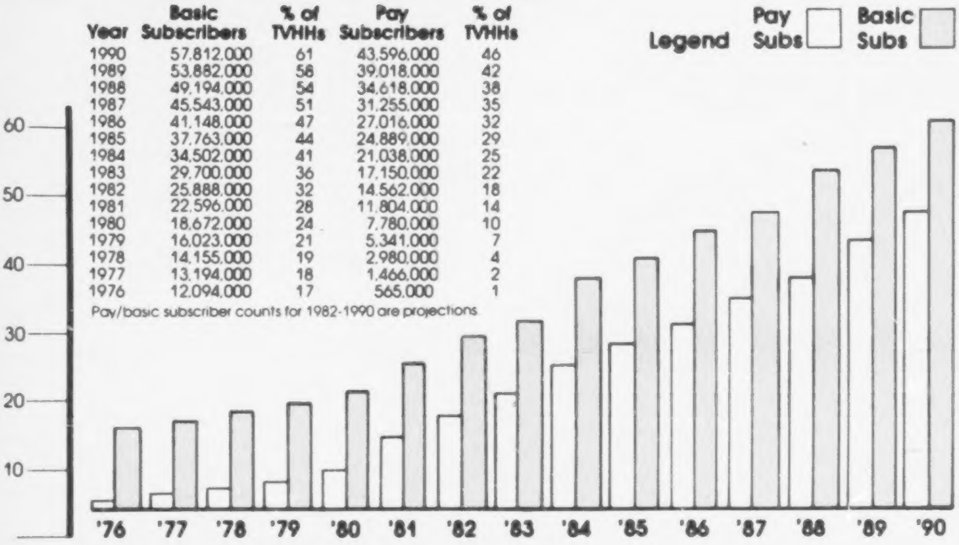
Microdyne, Alpha fade
Pressure from Wall Street reaction has killed current efforts to merge Alpha Industries and Microdyne. However, company officials feel that marriage may happen at a later date. **Page 53.**

Talking text
Participants at a Boston seminar were given the word that a joint venture between national videotex and teletext services, local operators and local newspaper publishers is in the winds of the future. **Page 57.**

Tussle over tariff
RCA Americom's transponder tariff proposal is drawing flak from a variety of sources. The yet-to-be-settled issue is also generating a lot of claims and counter-claims. **Page 58.**

This week in CableVision Plus
Long the poor relation at the American entertainment table, legitimate theatre is being courted by cable programmers for low-budget forms of original dramatic fare. The increase in theatre's attractiveness, however, has been matched by a rise in license and production costs. Capitol Hill is also turning a watchful eye toward cable. C-SPAN and public affairs programming on cable systems that make performers of congressmen have heightened their awareness. **Pages 27-50.**

Pay/basic cable growth



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Franchising in the top 50

Rank	Market	Status of Core City
1.	New York	Manhattan-OP/four unwired boroughs-FP
2.	Los Angeles	City is divided into seven parts
3.	Chicago	BP
4.	Philadelphia	City is divided into four parts (1 OP/3 FP)
5.	San Francisco	OP (system to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas/Ft. Worth	Two systems-OP
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/St. Paul	FP
14.	St. Louis	BP
15.	Seattle/Tacoma	City is divided into four parts (2 OP/1 FG/1 BP)/ Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/St. Petersburg	BP/OP
19.	Baltimore	BP
20.	Denver	FG
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into two parts (1 OP/1 FG)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/New Bedford	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FG
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/Battle Creek/Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	Two systems-OP
43.	Charleston/Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Legend:

OP—operational
FG—franchise granted
FP—franchise pending
BP—beginning process
LNA—little or no action

Based on chart from the National Cable Television Association report on cable franchising, using Arbitron's designated market areas

Regional focus

New England

	Cable Systems	Basic Subs	Homes Passed	Basic % of H.P.	Pay Subs	Pay % of Basic Subs
Connecticut	21	476,695	758,556	63.24	248,982	52.23
Maine	35	125,174	198,456	63.07	51,087	40.82
Massachusetts	57	429,500	864,727	49.67	204,547	47.62
New Hampshire	26	159,392	296,124	53.83	50,358	31.59
Rhode Island	6	6,952	9,199	75.57	5,459	79.82
Vermont	46	79,388	97,938	81.06	20,206	25.45

Middle Atlantic

	Cable Systems	Basic Subs	Homes Passed	Basic % of H.P.	Pay Subs	Pay % of Basic Subs
New York	204	1,780,977	3,113,716	51.20	847,618	47.60
New Jersey	62	918,826	1,924,178	47.75	539,029	64.11
Pennsylvania	311	1,754,279	2,787,093	63.08	618,931	35.30

South Atlantic

	Cable Systems	Basic Subs	Homes Passed	Basic % of H.P.	Pay Subs	Pay % of Basic Subs
Delaware	9	109,168	186,731	58.46	49,469	45.31
Maryland	36	143,421	212,389	67.53	51,775	36.10
West Virginia	146	304,614	502,903	60.57	84,571	27.76
Virginia	84	495,096	853,455	58.01	289,914	58.60
South Carolina	50	273,850	538,341	50.87	121,967	44.58
North Carolina	89	484,682	852,835	56.83	233,597	48.20
Georgia	126	579,696	1,106,236	52.40	304,159	52.47
Florida	159	1,402,297	2,589,004	54.16	682,882	48.70

Cable penetration in top 25 TV markets

Rank	Market	Cable Subscribers*
1.	New York City	1,349,907
2.	Los Angeles	624,728
3.	Chicago	175,751
4.	Philadelphia	693,157
5.	San Francisco	663,484
6.	Boston	288,091
7.	Detroit	175,275
8.	Washington, D.C.	79,425
9.	Cleveland	265,391
10.	Dallas/Fort Worth	116,496
11.	Pittsburgh	552,676
12.	Houston	192,176
13.	Minneapolis/St. Paul	44,945
14.	St. Louis	94,034
15.	Seattle/Tacoma	236,616
16.	Atlanta	208,150
17.	Miami	288,327
18.	Tampa/St. Petersburg	169,035
19.	Baltimore	69,682
20.	Denver	53,637
21.	Indianapolis	165,050
22.	Sacramento/Stockton	402,349
23.	San Diego	361,940
24.	Portland, OR	85,239
25.	Kansas City, MO	112,912

*Cable penetration in 50 mile radius of market city, subscriber totals from "CableFile/82"

- Ruling throws copyright bill into extra innings
- Revised AT&T measure garners bipartisan support
- Bronx bombshell threatens NYC franchise talks
- St. Paul battle heats up over ownership issue

CableVision™

The news and features weekly of the cable television industry

April 5, 1982

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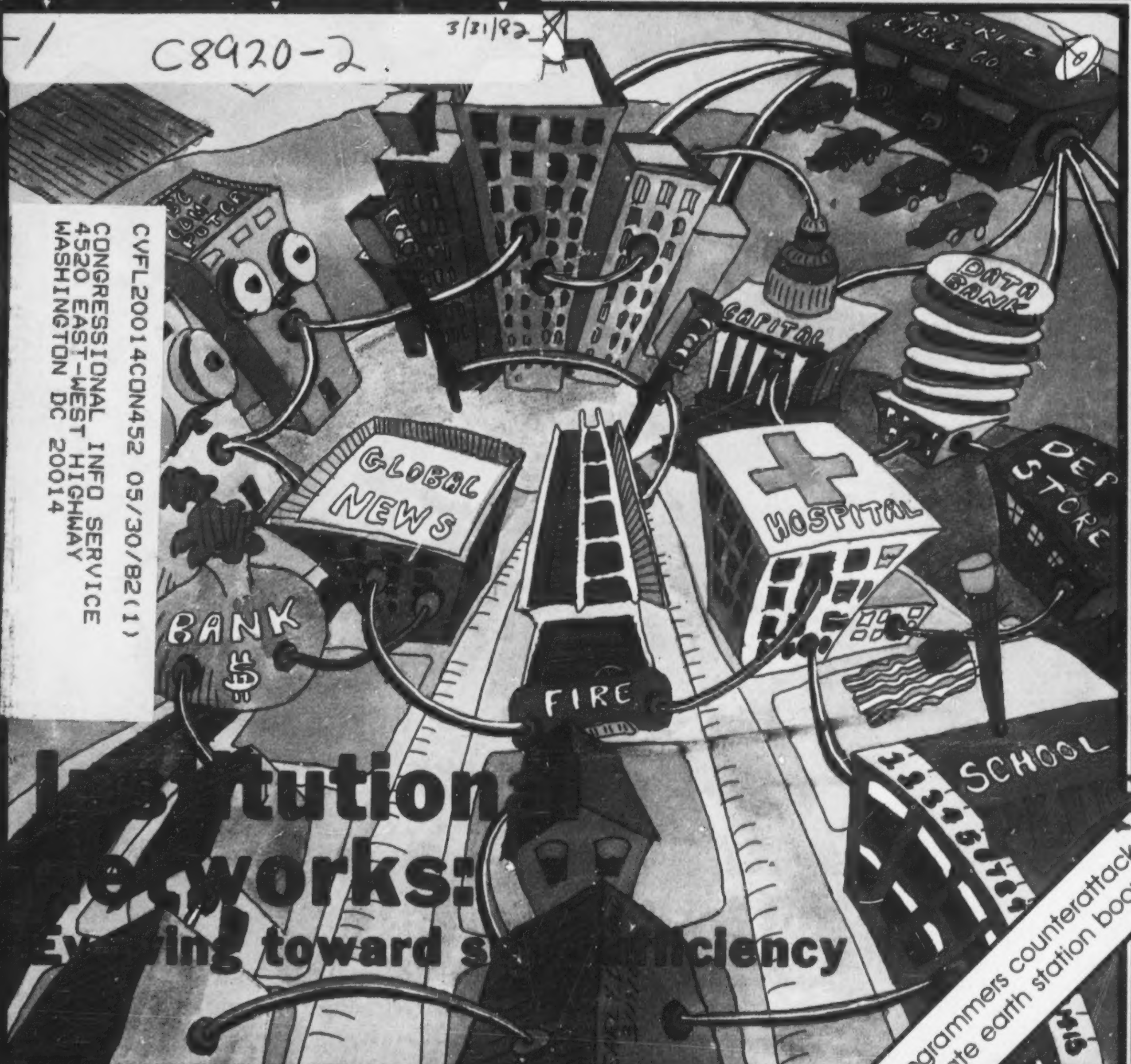
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Institutional networks:

Evolving toward self-sufficiency

Programmers counterattack private earth station boom

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CableVision Volume 7, Number 30, April 5, 1982

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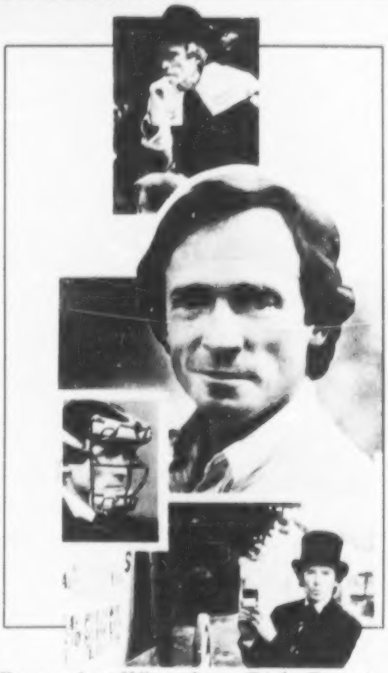

Remember When *host Dick Cavett.*

'Remember When'

HBO marketed the eight-part documentary series *Remember When* with heavy emphasis on the educational value. HBO discovered far-reaching implications by taking that approach. **Page 34.**

Out at home

A district court ruling that blocks the retransmission of the New York Mets' baseball games has put the mark-up of copyright legislation into extra innings. **Leading the week, pages 13-20.**

Ringing up support

Rep. Timothy Wirth (D-CO) is pushing a revised version of the Telecommunications Act of 1982. The bill is garnering bipartisan support from his subcommittee members. **Leading the week, pages 13-20.**

Bronx bombshell

Confusion still surrounds the New York City franchise negotiations. Cablevision Systems is holding firm to its Bronx position, throwing the future of cable in the boroughs into limbo. **Leading the week, pages 13-20.**

Ownership flap

Factions in St. Paul, Minn., are gearing up campaigns to push conflicting views over the heated city cable ownership issue. Some councilmen are backing proponents while the NCTA is supporting the opposition. **Leading the week, pages 13-20.**

Canadian flavor

Reports from Canada following the awarding of pay TV licenses in that country indicate pay cable services will look different from American counterparts. **Page 31.**

New Jersey interconnect

Described as a "gigantic cable system," the New Jersey interconnect is in the final stages of hooking up 53 cable systems. **Page 31.**

Bravo discrepancy

Marketing experts are at somewhat of a loss to explain the overwhelming acceptance in two areas and the utter rejection in another. **Page 34.**

NYC up on link

A data transmission service experiment in NYC has been declared a success, so much, in fact, that the contract is being extended. **Page 59.**

Viacom tune no blues

Ralph Baruch, Viacom chief executive officer, recently talked about the success of his company. He pointed to being different as the key to success. **Page 59.**

Teletext—house divided

Cable and broadcasting interests have squared off over questions regarding the development of teletext services. **Page 69.**

This week in *CableVision Plus*

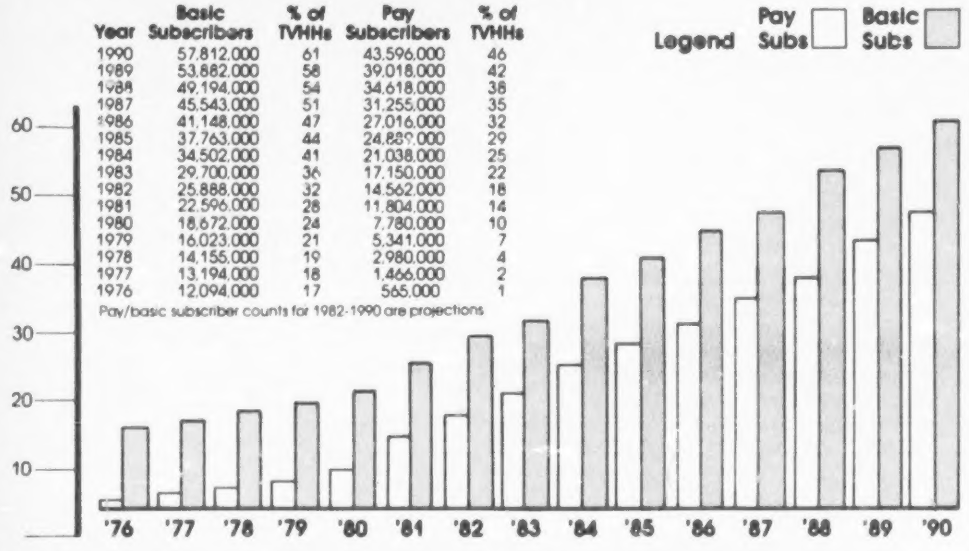
Once thought of as simply good-will gestures, institutional networks are making a bid for self-sufficiency. *CableVision Plus* writer Victoria Gits surveys some of the recent I-net proposals and culls industry opinion on the cable wave of the future. The growing number of private earth stations has prompted a move by HBO to scramble its signal, an action some say is sabotaging a legislative plan to fight piracy. In a *CV Plus* interview, Don Perris details Scripps-Howard's plans for cable. Pages 35-58.

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	57,812,000	61	43,596,000	46
1989	53,882,000	58	39,018,000	42
1988	49,194,000	54	34,618,000	38
1987	45,543,000	51	31,255,000	35
1986	41,148,000	47	27,016,000	32
1985	37,763,000	44	24,889,000	29
1984	34,502,000	41	21,038,000	25
1983	29,700,000	36	17,150,000	22
1982	25,888,000	32	14,562,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) ...	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

Film product comparison—April

Film	Networks					Distributor
A Nightingale Sang in Berkeley Square	HBO*					Gold Key
Abba—The Movie				HTN	C	Warner Bros
Airplane			(TMC)	HTN*		Paramount
All That Jazz	(HBO)	ST	(TMC)			20th Century-Fox
American Gigolo		(ST)	TMC*			Paramount
American Pop	(HBO)		TMC*			Columbia
Any Which Way You Can	(HBO)	ST	(TMC)	(HTN)		Warner Bros
The Asphalt Jungle		ST*			(C)	MGM/UA
The Attic		(ST)			C*	Film Gallery
Battleground		ST			C*	MGM/UA
Bedknobs and Broomsticks	(HBO)	ST		(HTN)		Disney/Buena Vista
Bells are Ringing		(ST)			C	MGM/UA
Best Friends					C*	Gold Key
Betrayed		ST				MGM/UA
The Big Red One	HBO	ST	(TMC)	(HTN)	(C)	Lorimar
Black Beauty			TMC			Paramount
The Black Pearl	HBO*			HTN		Columbia
The Blues Brothers	HBO		(TMC)			Universal
Breaking Glass	(HBO)		TMC			Paramount
Breaking Point					C*	20th-Century Fox
The Brothers Karamazov		ST				MGM/UA
Bustin' Loose	HBO*	ST	TMC*			Universal
Caddyshack	HBO	(ST)	(TMC)			Warner Bros
Cattle Annie and Little Britches					C	Hemdale
Carnal Knowledge					C	Embassy
Carny	(HBO)	ST*	(TMC)			Lorimar
The Challenge for Robin Hood				HTN		Warner Bros
Chapter Two	(HBO)	ST	TMC*	HTN		Columbia
Cheech and Chong's Next Movie	(HBO)	ST	TMC*			Universal
The Children		(ST)	TMC			World Northal
The Children of Theater Street					C	Peppercorn-Wormser
Coast to Coast			(TMC)	HTN*		Paramount
Cotton Candy					C	HBO
Countdown to Disaster		ST*				ITC
Deadly Games		ST				Atlantic
Despair	HBO					New World
Dirty Tricks	HBO*					Embassy
Don't Go Near the Water		ST*				MGM/UA
The Earthling	HBO					Filmways
The Electric Horseman	(HBO)	(ST)	TMC*	HTN		Columbia
Escape from New York	HBO					Embassy
Eyewitness	(HBO)	ST	TMC*			20th Century-Fox
Fame		(ST)	(TMC)		C*	MGM/UA
The Fiendish Plot of Dr. Fu Manchu		(ST)	(TMC)	HTN		Warner Bros.
Fillmore					C	20th Century-Fox
The Final Conflict	(HBO)	ST	(TMC)			20th Century-Fox
First Family		(ST)	(TMC)		C*	Warner Bros
Flash Gordon	HBO*					HBO
The 400 Blows					C*	Janus
The Gazebo		ST				MGM/UA
Gigi	HBO	ST				MGM/UA
Gloria		(ST)		HTN*		Columbia
Hand Country	HBO					AFD
Hangar 18	(HBO)	(ST)	TMC	(HTN)		Worldvision
Happy Birthday to Me	HBO		TMC			Columbia
Hardly Working					C*	Hardly Working Co.
He Knows You're Alone					C	MGM/UA
The High Country			TMC			Crown International
The Hollywood Knights	HBO	(ST)	TMC			Columbia
H.O.T.S.		(ST)	(TMC)		C*	Blum Group
Hot Lead and Cold Feet	HBO	(ST)	TMC*	HTN		Disney/Buena Vista
Hugo the Hippo		ST		HTN*		Columbia
1941	HBO*		TMC	HTN*		Universal
I Sent a Letter to My Love	(HBO)		(TMC)	HTN		Atlantic
I'll Cry Tomorrow		ST				MGM/UA
The Incredible Shrinking Woman	(HBO)	(ST)	(TMC)	HTN		Universal
Invaders From the Deep		ST				ITC
Island of 1,000 Delights		ST*				K-Pay
It's Alive					C*	Warner Bros.
Jesus	(HBO)		(TMC)	HTN*	C	Warner Bros.
Jules and Jim					C	Janus
Kill and Kill Again	HBO					Filmways
Kill or Be Killed			TMC			Film Ventures
Killing Kind		ST*				Atlantic
King of Kings		ST*			C	MGM/UA
King of the Mountain	HBO					Polygram
Kramer vs. Kramer	(HBO)	(ST)	(TMC)	HTN*		Columbia
La Cage Aux Folles					C	MGM/UA
Lady Sings the Blues	HBO					Paramount
The Last Chase	HBO					ARG
The Last Married Couple in America	HBO*	ST	TMC			Universal
The Last Metro			TMC			MGM/UA
Last of The Mobile Hot Shots					(C)	Warner Bros.
The Late Show					C	Warner Bros
The Learning Tree					C	Warner Bros.
Lenny			TMC			MGM/UA
Little Miss Marker	(HBO)	ST*	TMC	HTN*		Universal
Loophole			TMC		(C)	Telepictures
Love Me or Leave Me		ST				MGM/UA
Magnificent Hustle				HTN		Worldvision
Man of La Mancha			TMC			MGM/UA

Cable stats

Film	Networks					Distributor
The Man Who Fell to Earth					C	Cinema 5
The Man Who Saw Tomorrow	(HBO)		(TMC)	HTN		Warner Bros
The Man with Bogart's Face				HTN		Viacom
Middle Age Crazy					C	HBO
Mister Buddwing		ST				MGM/UA
The Mountain Men	(HBO)	ST	TMC			Columbia
The Music Man				HTN		Warner Bros
Network			TMC			MGM/UA
Nighthawks	HBO	ST	TMC			Universal
Nine to Five	(HBO)	(ST)	TMC*	(HTN)		20th Century-Fox
Nobody's Perfekt	HBO		TMC			Columbia
The North Avenue Irregulars		(ST)	(TMC)	HTN		Disney/Buena Vista
North by Northwest					C*	MGM/UA
The Nude Bomb	(HBO)	ST	TMC	HTN*		Universal
Ode to Billy Joe			(TMC)		C*	Warner Bros
Oh, God!	(HBO)	ST		HTN		Warner Bros
Oh, God! Book II			(TMC)	HTN*	(C)	Warner Bros
Olly Olly Oxen Free	HBO*					HBO
One On One		ST		(HTN)		Warner Bros
One Trick Pony		(ST)	(TMC)		C	Warner Bros
The Ordeal of Patty Hearst	HBO					Worldvision
Outlaw Blues					C	Warner Bros
Outrageous					C*	Baxter
Paper Tiger			TMC			Castle Hill
The Pinchliffe Grand Prix	(HBO)	ST*				GGC
The Postman Always Rings Twice	(HBO)	ST	TMC*			Lorimar
The Private Eyes	(HBO)			(HTN)	C	HBO
The Purple Taxi		ST*				Quartet Films
Return of the Secaucus Seven			TMC		C	Libra
Ruckus	HBO		TMC			International Vision
Second Hand Hearts			TMC*			Lorimar
Second Wind					C	Electric Picture Co
The Secret of Seagull Island	HBO*					ITC
Seizure					C	HBO
Seven		ST				Viacom
The Sex Machine		ST				TeleMine
Shame, Shame on the Bixby Boys					C	HBO
The Shining	HBO	(ST)	(TMC)			Warner Bros
The Shogun Warriors: Dan Guard Ace		ST				Blum Group
The Shogun Warriors: Starvengers		ST*				Blum Group
Shoot the Sun Down			TMC		(C)	Gold Key
Smokey and the Bandit II		(ST)	(TMC)	HTN		Universal
Smokey Bites the Dust	HBO		TMC			New World
Something of Value		ST*			C	MGM/UA
The Soft Skin					C	Janus
Sphinx	(HBO)		(TMC)	HTN		Warner Bros
Spirit of St. Louis				HTN		Warner Bros
Squeeze Play		ST*				Troma
St. Ives					C*	Warner Bros
Starting Over		ST				Paramount
Stir Crazy	HBO	ST	TMC			Columbia
The Stud		(ST)			C	TeleMine
Sunday in New York					C*	MGM/UA
Swinging Cheerleaders		ST				Delta
Take This Job and Shove It	HBO					Embassy
Tarka the Otter				HTN*		Satori
The Tender Trap		ST*				MGM/UA
Terror Train	HBO				(C)	20th Century-Fox
Texas Lightning		ST				Film Ventures
Thief	(HBO)	ST	(TMC)			MGM/UA
Thunder of Drums					C	MGM/UA
Touched by Love		(ST)		HTN*		Columbia
Treasure Island				HTN		Warner Bros
Twelve Plus One		ST*				Ho-Tel
Two English Girls					C*	Janus
Up in Smoke		ST				Paramount
Up the Academy	HBO		(TMC)			Warner Bros
Used Cars	HBO		TMC			Columbia
The Visitor			TMC*			Samuel Goldwyn Co
The Way We Were	(HBO)	(ST)	(TMC)	HTN		Columbia
Where the Buffalo Roam			TMC			Universal
Who Says I Can't Ride a Rainbow?		ST				Gold Key
Wholly Moses	(HBO)		TMC			Columbia
Why Shoot the Teacher?		ST				Quartet Films
Why Would I Lie?		(ST)		HTN*		MGM/UA
Wild and Beautiful on Ibiza		ST				K-Pay
Willie and Phil	HBO	ST			(C)	20th Century-Fox
Xanadu			TMC	HTN*		Universal

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network/HTN Plus (launching this month)
C—Cinemax

■ Networks in parentheses indicate carriage in November, December, January, February and/or March.

■ An asterisk following a network indicates the film is a carry-over from November, December, January, February and/or March.

■ In total, 169 films appear on the April schedules of HBO, Showtime, The Movie Channel, HTN/HTN Plus and Cinemax. Of those titles during the last six months one film ("The Big Red One") has appeared on all five services. Seven titles have appeared on four services, 31 on three and 36 on two networks. Ninety-four titles are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 26, followed by Warner Brothers with 25, and Columbia with 16.

■ Comedians Richard Pryor and Gene Wilder dress like chickens for the program guide covers of HBO, Showtime, The Movie Channel and Cinemax, highlighting "Stir Crazy." Another laugh-getter, Gallagher, takes up some Showtime cover space. Also on the Cinemax guide: "Nighthawks," "Escape from New York," and a little-known flick, "Cattle Annie and Little Britches." HTN features the folksinging trio of Peter, Paul and Mary on their program guide.

Top 20 cable MSOs

Rank	Multiple System Operator	Subscribers
1.	Tele-Comunications Inc. (3/82)[1]	1,900,000
2.	American Television and Communications (12/81)	1,810,000
3.	Teleprompter/Westinghouse (1/82)	1,642,381
4.	Cox Cable Communications Inc.	1,116,765
5.	Warner Amex Cable Communications	900,000
6.	Storer Cable Communications	897,000
7.	Times Mirror (1/82)	670,721
8.	Newhouse Broadcasting[2]	595,576
9.	Rogers-UA Cablesystems[3]	573,892
10.	Viacom Cablevision[4]	536,052
11.	Continental Cablevision	467,939
12.	United Cable Television Corp. (1/81)	463,494
13.	Sammons Communications (1/82)	444,221
14.	TeleCable Corp.	303,000
15.	Capital Cities Cable	296,843
16.	General Electric Cablevision Corp	288,000
17.	Heritage Communications	244,071
18.	Cablevision Systems Development	222,878
19.	Daniels & Associates	220,300
20.	Comcast Corp. (1/82)	218,012

Note: Subscriber counts are as of 2/28/82 unless noted otherwise

[1] Includes wholly owned, partially owned and managed subscribers
[2] Includes MetroVision, NewChannels and Vision Cable
[3] Includes UA-Columbia and U.S. Cablesystems
[4] Includes 40 percent ownership in Nor-Cal Cable

Top 20 cable systems

Rank	Location	Operator	Subscribers	
1	San Diego, CA	Cox Cable	211,760	
2	Manhattan, NY	ATC	153,800	(12/81)
3	Oyster Bay (Long Island), NY	Cablevision Systems	148,071	
4	West Orange, NJ	Maclean Hunter Cable	134,101	
5	Los Angeles, CA	Teleprompter	104,750	(1/82)
6	Wayne, NJ	Rogers-UA Cablesystems	102,800	
7	San Antonio, TX	Rogers-UA Cablesystems	97,868	
8	Tulsa, OK	United Cable TV	97,488	(1/82)
9	Erie County, NY	Prime Cable	92,833	(1/82)
10	San Jose, CA	Gill Industries	90,283	
11	Audubon, NJ	NYT Cable	87,758	
12	Tidewater, VA	Cox Cable	83,704	
13	Austin, TX	ATC	80,000	(12/81)
14	Central Islip, NY	Viacom Cablevision	79,971	
15	Honolulu, HI	ATC	79,000	(12/81)
16	Orlando, FL	ATC	76,100	(12/81)
17	Jefferson Parish/ Kenner, LA	Cox Cable	73,018	
18	Hartford/Meriden, CT	Times Mirror	71,084	(1/82)
19	Manhattan, NY	Teleprompter	70,210	(1/81)
20	Toledo, OH	Buckeye Cablevision	69,707	

Note: Subscribers are as of 2/28/82 unless noted otherwise

13
RCA
FOR
SALE

- Injunction delays RCA transponder bidding
- Copyright bill, minus protection, wins passage
- Cable Health Network schedules launch date
- Comsat, General Electric eye data transmission

CableVision™

The news and features weekly of the cable television industry

April 12, 1982

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Packaged goods pros critiq[illegible]e marketing

Candy
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LA cable operators fight STV domination

CableVision Volume 7, Number 31, April 12, 1982

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CBN bags a peacock in golf coverage deal. Page 31.

Lost in space

Opponents of RCA's Satcom IV rent-a-transponder plan were granted an injunction, thereby delaying the multimillion-dollar leasing process. **Leading the week, pages 13-24.**

Protection stripped

The House Judiciary Committee approved the cable copyright bill. However, that bill was stripped of protective amendments designed to guard against retransmissions of sporting events. **Leading the week, pages 13-24.**

Political replacement

Cable News Network, in a major programming change, is replacing the *Freeman Reports* with a new political talk show. **Leading the week, pages 13-24.**

Launch adjustments

Cable Health Network has set a launch date which is forcing Eastern Microwave to seek out new satellite space. **Leading the week, pages 13-24.**

Data bound

Business data transmission is the focus of two new ventures announced by Comsat and General Electric. **Leading the week, pages 13-24.**

Franchising spurs

Government officials are playing a new game in awarding franchises. New demands are spurring the industry into technological advancements and unexpected problems. Leading MSOs recently addressed those issues. **Leading the week, pages 13-24.**

CBN bags a peacock

NBC ended its brief reign as a network without a cable partner when it signed an agreement to allow CBN to carry coverage of the Dinah Shore Invitational women's golf tournament. **Page 31.**

Documenting a shift

Growing pay TV reliance on non-fictional matter surfaces as a new reality for producers and programmers in cable industry. **Page 31.**

Marketing milestone

MSOs' figures show added benefits to fresh marketing approaches for pay service offerings. **Page 40.**

Speak softly, CNN

Cable News Network unleashed a print advertising blitz in some of the most read weekly news magazines in the nation. The response has not been what was expected. **Page 42.**

Metromedia—full house

Comp-U-Card has entered a partnership to produce satellite-delivered video shopping service for cable. **Page 67.**

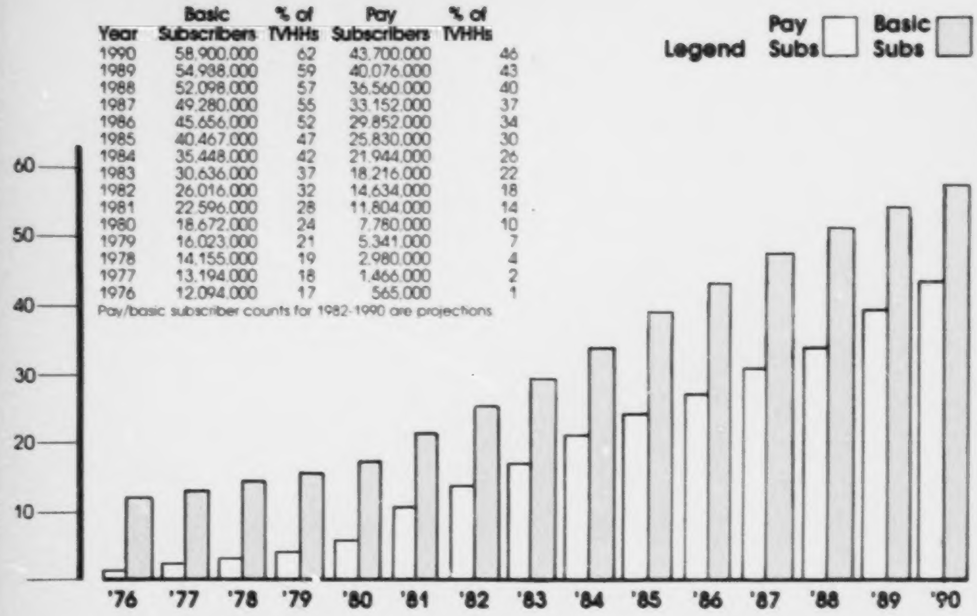
Ringing up support

AT&T is preparing a massive lobbying effort in Congress in an effort to turn the tide of a House subcommittee bill. **Page 85.**

This week in *CableVision Plus*

Four cable marketers (Art Dwyer, Rupert Walters, Burt Staniar and Charlie Townsend), recruited from packaged goods industries, cast a critical eye at their new territory. The Marketing and Advertising theme continues with a look at door-to-door sales, a technique that has once more found favor. A survey of the Los Angeles market reveals that cable operators need to rally their persuasive powers to get subscribers to switch from STV to cable. **Pages 43-66.**

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,938,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH)	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable	28.28%
Percent of HP with basic cable	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable	14.93%
Percent of HP with pay cable	28.69%
Percent of basic subs with pay cable	52.81%

Satellite line up

Satcom IIIR (RCA Americom)	**Transponder**
Warrer Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, The Women's Channel, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, BET	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Showtime, (used by Eastern Microwave for WOR)	17
Reuters, GalaVision (at night)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network early evening)	21
HBO/Modern Satellite Network, leased for Daytime March 1982	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)	**Transponder**
ESPN (Bravo)	6
National Christian Network (Escapade)	7
SIN	8
Warner Amex	11
Showtime (subleased to Compact Video)	15
Trinity	17
HBO	18
American Network	19

Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIIR—Projected launch September 1983

Westar IV (Western Union)	**Transponder**
CBS Cable	3D
SIN	3X
Wold Communications	5D
Wold Communications (Financial News Network, SelecTV)	5X
Wold Communications—pay service TBA	9X
Wold Communications (Eternal Word Television Network, EROS)	10D
SPN	11X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat, Westinghouse (Satellite News Channels I & II) and Equatorial will have transponders on Westar IV.

Westar V—Projected launch September 1982

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz.Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Franchising calendar

This chart examines the franchise status of communities during the first quarter of 1982. "Pending" refers to communities that are in the franchising process but have yet to make an award.

California
Alameda—pending.
Bellflower—pending.
Boyle Heights—award to Buena Vista Telecommunications 1/81; 23,000 homes.
Dinuba, Reedly, Sanger, Selma, Kingsburg—award to Teleprompter 1/82.
East San Fernando Valley—Valley Cable TV (Cable America) ranked first by CTIC.
East Yolo—pending.
El Monte—pending.
Garden Grove—award to Rogers Cablesystems 2/82; 40,000 homes.
Gardena—award to Teleprompter 2/82; 17,000 homes.
Grand Terrace—pending.
Hacienda Heights—pending.
Hawaiian Gardens—award to CATV West 1/82.
Hawthorne—pending.
Lakewood—applications due 4/30/82.
Lomita—pending.
Los Alamitos—pending.
Sacramento—applications were due 3/15/82, final selection expected this fall.
San Fernando—pending.
South Los Angeles—pending.
South Whittier—pending.
Torrance—award to Teleprompter 2/82; 52,000 homes.

Colorado
Cherry Hills—award to United Cable 2/82; 1,600 homes.
Denver—Mile Hi Cablevision chosen for negotiation 2/22; 216,000 homes.
Edgewater—pending.
Greenwood Village—pending.
Longmont—second vote on award 5/4/82.
Northglenn—pending.
Thornton—award to ATC 1/82; 15,000 homes.
Wheat Ridge—pending.

Florida
Pinellas County—pending, decision expected 5/82; 100,000 homes.
Plantation—award to Planned Cable Systems 1/82.
Tampa—RFP expected late April.
Walden Lake—pending.

Illinois
Brookfield—pending.
Chicago—cable ordinance adopted, RFP expected in May.
DuPage County—Cable ordinance adopted 1/28; 44,000 homes allowed for.
Rossmoor—award to Centel Cable 2/82; 2,800 homes.
Inverness—award to Centel 2/82; 1,100 homes.
LaGrange, Countryside, LaGrange Park, Indian Head Park, Riverside pending.
Lincolnwood—pending.
Naperville—need has been assessed.
Westmont—beginning process.

Indiana
Boone County (unincorporated areas)—pending.
Cedar Lake—award to US Cable 3/82.
Spring Lake—Quality CATV contract tentatively approved 1/82.
Thorntown—FCC approved this new franchise award to Thorntown Telco 2/82; it then was voided by community.
Westfield—award to Noblesville Cablevision 1/82.
Zionsville—pending.

Iowa
Denver—award to Heritage Communications 1/82.
Waverly—award to Heritage Communications 1/82.

Kentucky
Pioneer Village—award to Bullitt County Communications (Matrix) 1/82; 280 homes.

Maryland
Montgomery County—eight bids received 2/3/82.

Massachusetts
Abington—pending.
Acton—pending.
Braintree—pending.
Bridgewater—pending.
Danvers—pending.
East Rockland—pending.
Foxboro—award to Cablevision Systems 1/82.
Holbrook—pending.
Hull—applications for license due 4/5/82.
Medway—applications due 4/13/82.
Milton—award to American Cablesystems 1/82; 8,500 homes.
Needham—pending.
Norton—award to Rollins Cablevision 1/82; 3,600 homes.
Norwell—pending.
Salisbury—award to New England Cablevision 1/82.
Scituate—applications pending.
Stoughton—pending.
Waltham—pending.
Wellesley—applications due 5/20/82.
West Newbury—applications due 6/1/82.
Westborough—applications due 6/15/82.
Westford—award to Nashoba Cable Communications Inc. 1/82.
Whitman—pending.

Michigan
Detroit—pending.
Farmington, Farmington Hills—award to MetroVision 1/82; 36,000 homes.
Oak Park—pending.
Oakland County—award to Tribune Company/United Cable 3/25/82.
Southern Oakland County (Birmingham, Beverly Hills, Bingham Farms, Franklin)—award to Booth Communications and Heritage Communications 1/82; 15,000 homes.
Sterling Heights—award to Comcast Cablevision 2/82; 35,000 homes.

Minnesota
Anoka, Champlin, Ramsey—award to Teleprompter 1/82; 14,000 homes.
Arden Hills (Northern Suburban Cable Consortium)—to be awarded this week.
Burnsville—need has been assessed.
Chaska—award to United-Zylstra 2/82.
Hastings—pending.
Little Canada—pending.
Kasson—pending.
Northfield City and Township, Dundas, Bridgewater Township, Rice County, Waterford Township, Dakota County—proposals due 5/5/82.
Owatonna—proposals due 4/15/82.
Olivia—pending.
Roseville—pending.
St. Paul—vote 4/27/82 on municipal ownership.
Shakopee—award expected in May.
Wayzata—proposals due 4/5/82.

Missouri
Claycomb—pending.
Glenaire—pending.
Jefferson County (unic. areas)—award to US Cable of Waukegan 2/82.
Maplewood—award to Continental Cablevision 1/82.
Pleasant Valley—pending.
Riverside—pending.
St. Louis—pending.

New Hampshire
Hampsted—pending.
Plaistow—applications due 4/26/82.

New Jersey
Jersey City—1980 award vetoed; proposals now being received.
Patterson—awarded in 1981 to Passaic County Cablevision; municipal ownership now being considered.
Upper Deerfield—pending.

New York
Aurora, Aurelius, Cayuga County, Ledyard, Springport, Union Springs pending.
Freedom—award to Tri-County US Cable TV of Salamanca 2/82.
Harrison—pending.
New York City boroughs—final award expected in spring.
Springport—pending.
Union Springs—pending.
Westfield—pending.

North Carolina
Davie County—pending.
Mecklenburg County—award to Vision Cable 1/82.

Ohio
Brooklyn—municipal ownership decision pending.
Cleveland—pending.
Jackson Township—award to Warner Amex Cable Communications 1/82; 10,000 homes.
Maple Heights—award to Viacom Cablevision 1/82.
Middleburg Heights—pending.
Vermillion—pending.
Wadsworth—award to Warner Amex Cable Communications 2/82; 6,000 homes.
Whitehouse—pending.

Oregon
Dayton—award to Liberty Cable 3/82; 450 homes.
East Multnomah County—pending.
Gresham—award to Viacom Cablevision 2/82.
McMinnville—pending.
St. Helen's—award to Harmon Telecommunications 2/82; 3,000 homes.

Pennsylvania
Philadelphia—three franchises pending.

Rhode Island
Middletown, Portsmouth, Tiverton, Little Compton—pending.
Newport—pending.

South Carolina
Anderson County—applications pending.
Parris Island—award to Acton Corp. 1/82.

Tennessee
Bartlett—award to Heritage Communications 1/82.
Cheatham—award to Cablevision Enterprises 1/82.

Virginia
Dinwiddie County—applications due 4/30/82.
Fairfax County—pending.
Gooch County—pending.
Staunton—pending.
York County—pending.

Washington
Granger, Toppenish, Wapato, Zillah—applications due 6/30/82.
Seattle—pending.

Wisconsin
Brookfield—award to RVS Cable Corp. of Wauwatosa 3/82.
Kenosha—pending.
Milwaukee—award expected May/June.
Mukwonago—award to RVS Cablevision 1/82.

- NAB convention in Dallas proves eye-opening
- CNN finally gets White House press passes
- C-SPAN looking for alternative financing
- MSO ranks swell with addition of 'old hand'

CableVision

The news and features weekly of the cable television industry
April 19, 1982

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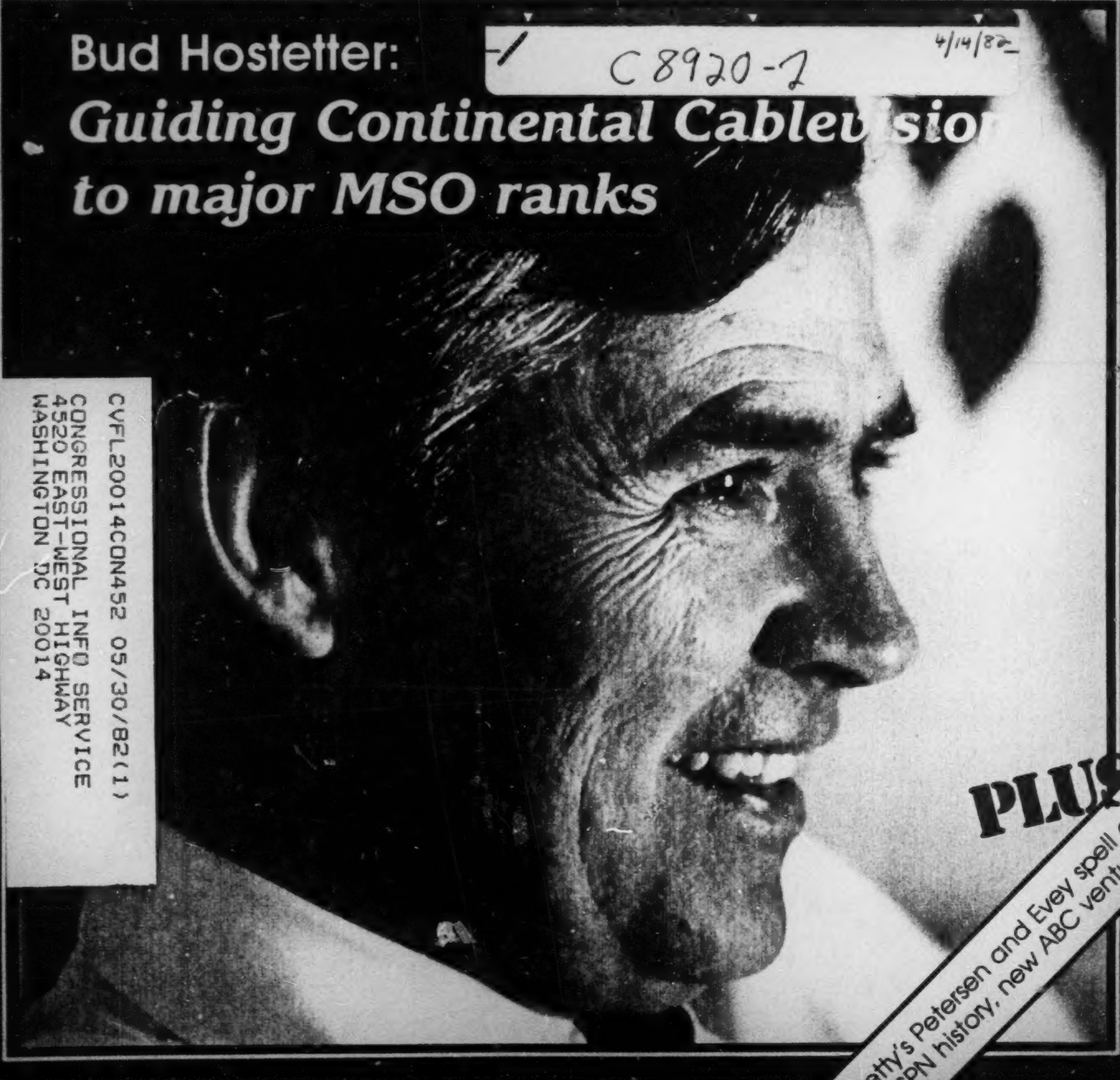

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PLUS

Getty's Petersen and Evey spell out ESPN history, new ABC venture

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Anticlimactic lottery

After months of controversy, and amidst court challenges, RCA's highly anticipated transponder lottery is called off for shortage of demand. HBO, WASEC and NBC came with $13 million and won without competition. **Leading the week, pages 13-20.**

Freedom first

Sen. Robert Packwood (D-OR) is considering a constitutional amendment as a way to guarantee First Amendment rights to electronic media. **Leading the week, pages 13-20.**

CNN—pool open

Cable News Network dives into the White House television pool, settling its year-long dispute with ABC, CBS and NBC over coverage of the President. The access will be costly, however. **Leading the week, pages 13-20.**

Mile Hi negotiations

Despite threats of legal action, referendums and legislative investigations, Mile Hi Cablevision and Denver officials are attempting to hammer out a franchise agreement. **Leading the week, pages 13-20.**

Soviets severed

Cable News Network's *Moscow Live* series has been dropped over an impasse between the network and Soviet officials on a human rights episode. **Page 23.**

C-SPAN troubles

A number of systems recently discontinued C-SPAN subscriptions. Those systems represented a large portion of revenue which C-SPAN leadership is looking to replace. Selling ad time is one option. **Page 23.**

Taking on Turner

Ron Castell outlined marketing plans for Satellite News Channels, a direct challenge to Ted Turner. **Page 34.**

Joining MSO ranks

Steve Simmons is leaving Tribune Co. Cable to start his own MSO. Simmons has a few regrets, an unusual background and some definite ideas on how to succeed. **Page 59.**

Turner to rescue

Once again Ted Turner is doing something the three major networks are refusing to do—providing some financial aid to the ailing auto industry. **Page 59.**

Westinghouse sure

Westinghouse Electric plans to spend more than $1 billion to nurture its cable television operations. **Page 61.**

Tale of two franchises

Minnesota's twin cities have problems with cable franchise endeavors, but that is where the similarity ends. St. Paul has a heated public ownership fight headed for the polls, while Minneapolis has passed its debate along to the state governing board. **Page 69.**

This week in *CableVision Plus*

Continental Cablevision Inc. is a classic textbook case, created by former Harvard Business School classmates Bud Hostetter and Irv Grousbeck. This month, with 500,000 subscribers and a 1:1 pay-to-basic ratio, CCI shifts from mid-size to major MSO. An interview with Getty Oil's Sidney Petersen and Stuart Evey rounds out the Business/Finance theme. The pair detail Getty's history of cable involvement and the re-evaluations that led to a match-up with ABC. **Pages 35-58.**

Technology

Recording format available on open market

The RCA/Matsushita half-inch Chroma Trak recording format used in the Hawkeye recording camera system will be made available to other broadcast equipment manufacturers.

The Hawkeye recording system, introduced at the 1981 National Association of Broadcasters convention, was a joint development of RCA Corporation and Matsushita Electric Industrial Co. Ltd., with the recording units manufactured by Matsushita to RCA specifications.

Interface panel for VAX-11 available

Augat Inc. has announced a new wire-wrap interface panel for Digital Equipment Corporation's VAX-11 computer. Designated 8136-LG994-2, the new panel features:

— Machined, four fingered contacts for maximum reliability.

— Universal layout of 49 columns on .3" centers of 100 pins each. This allows any combination of ICs with between row spacing of .3", .5", and .9".

— Ground plane is on wiring side with tracing running between pins for better power distribution and lower noise.

— Two rows of holes on .1" centers allow combination of any size flat cable wire-wrap heads.

Semiconductor curve tracer announced

The availability of a semiconductor curve tracer has been announced by the B&K-Precision Product Group of Dynascan Corporation. The instrument, designated model 501A, is designed to work in association with an oscilloscope to display characteristic curves for a wide variety of discrete semiconductor devices.

The 501A displays the unique characteristic curves for each type of semiconductor device. By examining these curves, the user can determine all significant operating characteristics of the device under test. Test parameters measured include gain (beta), cutoff current, leakage current, output admittance and breakdown voltage. The instrument can be used to evaluate bipolar and FET transistors, diodes, SCRs, diacs, triacs and other devices.

Interbuilding fiber optic trunks on market

Times Fiber Communications Inc., an affiliate of Insilco Corporation, is now marketing interbuilding fiber optic trunks for transporting voice, data and video signals on a turnkey or OEM basis.

A private communication link from TFC will integrate voice, data and video transmission between two locations. It is a point-to-point, wide bandwidth fiber optic trunk consolidating all communication traffic into a user-owned system which is impervious to electro-magnetic interference and is significantly more secure than coaxial cable, according to the firm.

TFC's trunking equipment includes self-contained modems designed for data communications; wideband fiber optic cables capable of carrying signals over ten miles; modular fiber optic transmitters, receivers and repeaters; and wide-deviation FM modulators/demodulators designed to achieve high signal-to-noise ratio. Frequency division multiplexers/demultiplexers are used to combine voice, data and video signals on a single fiber.

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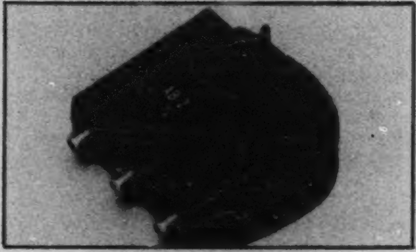
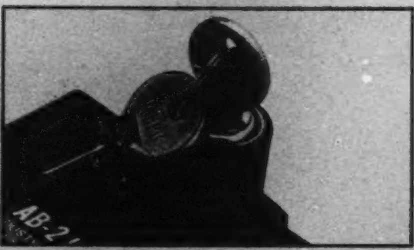

A-B switch. (Model AB-2).



Parental locking switch. (Model AB-2LK).

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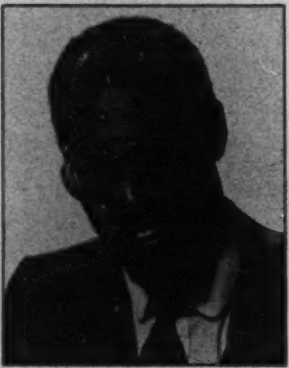
Adapting old skills to new challenge



Cable was not in Thom McKinney's cards when he decided last year to step down as president of Sheridan Broadcasting Network, the black programming service formerly run by Mutual Radio. The switch in enterprise came by semi-accident. "I left Sheridan to buy my own radio station," he said, "but for various reasons I couldn't raise the money. At some point you have to say, 'I've got to feed my family.'" For seven weeks, McKinney has been living off a new challenge for himself and for Teleprompter, as vice president of local advertising sales.

Taking a communications tool to sponsors is old hat for the five-year veteran of radio network entrepreneurship, having done account work for Westinghouse television stations before joining Sheridan in 1976. It's a question now, he explains, of learning a new language well enough to help the MSOs increase local sales activity. "Once you understand technical aspects of a system's capability and learn industry jargon, you end up not dealing with ADIs and cost-per-thousand. You look at a system's programming, its program guides, even direct mail, all going into a subscriber's home as merchandizing vehicles, then go out to clients and show how they can use them."

That attempt will be made on TPT systems already catching local clients, such as Seattle-Tacoma, West Palm Beach, Fla., and New York. McKinney's main priority is expanded use of local availabilities on ad-supported basic networks.

A one-man clearinghouse for now, McKinney's long-term goals are interconnect development and a push to develop local origination programming on a one-sponsor, one-show arrangement. "It's a good way, go back to the '30s where sponsors bought whole shows on radio. The advantage is local identification. A department store chain like Marshall Fields would find a network buy foolish, because they don't have stores all over the country. But for select markets, they could put together a show on fashion, which means we'll have the task of packaging the product for local use."

Off the client beat, McKinney is a lover of theatre and jogging. And on his list of things to accomplish down the road are Spanish and tennis.

KGTV-TV, San Diego, program manager **Phil Corvo** will become executive director of NATPE International June 1. Corvo replaces NATPE's initial executive director, George Back, who will resume syndication activities with his company, George Back and Associates.

Dori Weiss has become vice president of Hill/Mandelker Films. She recently served as development vice president of MGM Television.

Lloyd Simon has joined WASEC as counsel for legal and business affairs. Simon comes to WASEC from the law firm of Arrow, Edelstein, Gross and Margolis.

Oak Communications Systems has named **Douglas Howe** marketing director. He was formerly product manager at Ralston Purina's Van De Kamp foods division.

Andrea Davis has been promoted by Fair Dinkum Productions to development director for its Monument Pictures subsidiary. Davis had been story editor for Fair Dinkum, founded by Henry Winkler.

Former ASCAP business affairs director **James Gianopulos** has joined RCA's videodisc division. He will serve as West Coast business affairs director.

Install Inc. announced two appointments on its management staff: **Paul Mangan Jr.** has been named operations vice president, and **Kristina Sebenick** was named administrative vice president. Sebenick was formally the administrator for First National Home Theatre, based in Detroit.

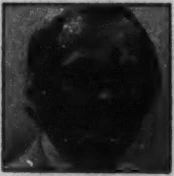
Times Mirror Cable Television's senior vice president of corporate development, **Jerry Lindauer**, will now supervise the company's security communications and personnel division. He has been with Times Mirror since 1977.

Former Home Box Office comedy director **Allan Albert** has joined Gateway Productions as vice president and executive producer of entertainment programming. Albert's first task at the Gannett-backed subsidiary will be *Families*, a joint venture with *Reader's Digest*.

James Batten, currently senior vice president of Knight-Ridder Newspapers Inc., will become president of the company April 20. Batten replaces **Alvah Chapman Jr.**, who becomes chairman on that date, retaining status as chief executive officer. Current Knight-Ridder chairman **Bernard Ridder Jr.** will step down from that position, but will continue with the firm as executive committee chairman and a director.

J. William Diederich has been named executive vice president and chief financial officer of Landmark Communications Inc. Diederich, who has been chairman of Landmark Community Newspapers Inc. since 1977 and will continue in that role, started Landmark's cable TV division in 1964.

Michael Montgelas has been named senior vice president for Communication Trends Inc., an Atlanta-based advertising agency specializing in the cable industry. Montgelas was formerly in affiliate relations with Home Box Office.



ATC has named **John Rigsby** vice president of subscription television operations. He has been with ATC since 1977, most recently as cable division manager.

David Woolfson has been made vice president and Eastern regional manager of Nielsen Station Index. Woolfson has been with Nielsen since 1973 , most recently as Southeastern regional manager.

Norman Levine has been appointed national advertising vice president of Satellite Program Network. Levine replaces ESPN founder William Rasmussen, now working on satellite audio projects for SPN's parent, Satellite Syndicated Systems. Levine had been advertising sales vice president of UTV Cable Network.

NOTE

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- CNN finally gets White House press passes
- C-SPAN looking for alternative financing
- MSO ranks swell with addition of 'old hand'

CableVision™

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April 19, 1982

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Getty's Petersen and Evey spell out ESPN history, new ABC venture

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a twist
C-SPAN's

Anticlimactic lottery

After months of controversy, and amidst court challenges, RCA's highly anticipated transponder lottery is called off for shortage of demand. HBO, WASEC and NBC came with $13 million and won without competition. **Leading the week, pages 13-20.**

Freedom first

Sen. Robert Packwood (D-OR) is considering a constitutional amendment as a way to guarantee First Amendment rights to electronic media. **Leading the week, pages 13-20.**

CNN—pool open

Cable News Network dives into the White House television pool, settling its year-long dispute with ABC, CBS and NBC over coverage of the President. The access will be costly, however. **Leading the week, pages 13-20.**

Mile Hi negotiations

Despite threats of legal action, referendums and legislative investigations, Mile Hi Cablevision and Denver officials are attempting to hammer out a franchise agreement. **Leading the week, pages 13-20.**

Soviets severed

Cable News Network's *Moscow Live* series has been dropped over an impasse between the network and Soviet officials on a human rights episode. **Page 23.**

C-SPAN troubles

A number of systems recently discontinued C-SPAN subscriptions. Those systems represented a large portion of revenue which C-SPAN leadership is looking to replace. Selling ad time is one option. **Page 23.**

Taking on Turner

Ron Castell outlined marketing plans for Satellite News Channels, a direct challenge to Ted Turner. **Page 34.**

Joining MSO ranks

Steve Simmons is leaving Tribune Co. Cable to start his own MSO. Simmons has a few regrets, an unusual background and some definite ideas on how to succeed. **Page 59.**

Turner to rescue

Once again Ted Turner is doing something the three major networks are refusing to do—providing some financial aid to the ailing auto industry. **Page 59.**

Westinghouse sure

Westinghouse Electric plans to spend more than $1 billion to nurture its cable television operations. **Page 61.**

Tale of two franchises

Minnesota's twin cities have problems with cable franchise endeavors, but that is where the similarity ends. St. Paul has a heated public ownership fight headed for the polls, while Minneapolis has passed its debate along to the state governing board. **Page 69.**

This week in *CableVision Plus*

Continental Cablevision Inc. is a classic textbook case, created by former Harvard Business School classmates Bud Hostetter and Irv Grousbeck. This month, with 500,000 subscribers and a 1:1 pay-to-basic ratio, CCI shifts from mid-size to major MSO. An interview with Getty Oil's Sidney Petersen and Stuart Evey rounds out the Business/Finance theme. The pair detail Getty's history of cable involvement and the re-evaluations that led to a match-up with ABC. Pages 35-58.

As subscribers like it

ELRA Group study reveals potential subscribers want movies, news, music and educational offerings

NEW YORK—Which cable services appeal most to potential subscribers in the urban cable systems now being franchised and built? What opportunities are operators and programmers missing as they start to develop plans for these new markets?

These and other questions about the future of cable programming in major urban centers were examined in a recent study conducted by the ELRA Group of East Lansing, Michigan, a national cable television research company with more than 10 years of telecommunications and cable experience.

The ELRA study, called CableMark, is the first in a series of studies the company is doing on cable programming and services. Results are based on 9,679 completed telephone interviews with residents from 23 cable communities in 11 states. The study was conducted for top MSOs as part of community needs ascertainment surveys. It covered areas where major franchise awards have been made in the past 18 months and where wiring will be done during the next two years. These markets include the metropolitan areas of Detroit, Washington, D.C., Minneapolis/St. Paul, Los Angeles, and Miami.

According to Dr. Robert LaRose, director of research for the ELRA Group, new methods of tiering programming services and new programming services attractive to specialized groups will need to be developed if the cable industry is to maximize penetration, revenue and subscriber satisfaction levels in new cable environments.

The study found there are six types of programs that go together on the basis of common patterns of consumer interest. The six types are family, public affairs, entertainment, news and information, self improvement, and culture.

The researchers asked respondents to rank their interest in 18 different program types.

Eighty percent of those interviewed stated an interest in national and international news, 78.5 percent were interested in movies and 72.5 percent expressed an interest in music.

Weather reports garnered a 68.3 percent rate of interest and cultural programming 62.2 percent. Also 61.2 percent of the respondents were interested in Las Vegas nightclub acts. Black entertainers registered an interest rate of 54.5 percent, children's programming 53.5 percent, and women's programming 52.5 percent. Surprisingly, only 46.3 percent of the respondents expressed an interest in sports channels, though the rate differs greatly between males and females. Only 31.8 percent of the female respondents had an interest in sports, while 61.5 percent of the male respondents expressed an interest.

The lowest-rated services were religious programming, 34.4 percent; Spanish language movies, 25.3 percent, and shopping channels, 16.8 percent. Local programming features, not always considered of interest by existing cable subscribers, received a high rate of interest among potential subscribers. Some 65.2 percent had an interest in courses for credit over cable, 63 percent had an interest in

Rankings of program service concepts

Services	Overall rank	Male	Female	24 and under	25 to 34	35 to 49	50 to 64	65 and older	Less than $15,000	$15,000 to $24,999	$25,000 to $34,999	$35,000 and over	White	Black	Other	Children	No children	Less than high school	High school	Some college	College degree	Graduate training	Detroit	Los Angeles	Washington, D.C.	Southwest	Minn./St. Paul	Other
National news	1	1	1	2	2	1	1	1	1	2	1	2	1	1	1	2	1	1	1	1	1	3	1	2	2	1	2	1
Movies	2	2	2	1	1	2	2	6	2	1	2	1	2	4	2	1	2	3	2	2	2	1	3	1	1	3	1	2
Music	3	3	3	3	3	3	5	5	4	3	3	4	3	6	3	4	3	5	3	3	4	4	2	3	—	—	3	—
Weather	4	4	4	5	5	5	3	4	3	4	5	6	4	3	5	5	4	2	4	5	6	6	5	8	3	2	4	3
Public access	5	7	7	6	7	7	7	8	5	6	7	9	8	5	7	6	6	4	5	7	7	8	7	9	4	4	5	5
Cultural	6	9	5	14	8	6	4	2	11	7	6	3	5	16	6	9	5	16	11	6	3	2	4	5	—	9	6	7
Courses for credit	7	6	8	4	4	4	9	16	13	5	4	5	6	11	6	8	8	14	8	4	5	5	6	4	6	11	8	13
Nightclub acts	8	5	10	8	9	8	8	9	10	8	8	8	7	14	4	3	7	10	6	8	9	10	8	6	—	7	7	4
State legislature	9	10	9	13	11	9	6	7	8	11	9	7	9	9	12	10	9	9	12	9	8	7	9	11	5	6	10	8
Children's programs	10	11	11	7	6	10	15	14	9	9	10	16	10	8	9	2	14	7	9	10	11	12	16	10	—	5	12	6
Women's programs	11	16	6	12	10	11	14	13	6	10	11	13	11	12	11	7	11	11	7	12	12	13	11	7	7	—	11	—
Black entertainers	12	13	12	9	12	12	13	12	7	12	15	12	12	2	13	14	10	6	10	11	13	15	12	12	—	10	9	10
Financial information	13	12	16	16	15	13	11	10	17	16	14	10	15	13	14	15	12	17	17	14	10	9	10	14	11	—	13	14
City council meetings	14	14	13	15	16	14	10	11	14	15	16	14	16	10	17	13	13	12	14	15	15	14	14	16	10	8	14	11
Sports	15	8	17	10	13	15	17	17	16	14	12	11	13	17	16	12	15	15	16	13	14	11	15	15	8	14	15	12
Shopping channel	16	15	14	11	14	16	16	15	15	13	13	15	14	15	15	11	16	13	15	16	16	16	13	13	9	13	17	15
Religious programs	17	17	15	17	17	17	12	3	12	17	17	17	17	7	18	16	17	8	13	17	17	17	17	17	—	12	16	9
Spanish movies	18	18	18	18	18	18	18	18	18	18	18	18	18	18	10	17	18	18	18	18	18	18	18	18	12	15	18	16

public access programming, 56.8 percent had an interest in legislative channels and 54 percent had an interest in job listings via cable.

Between age groups, the biggest difference in interest was in cultural programming (ranked 14th by those between the ages of 18 and 24 and ranked second by those over age 65), and religious programming (ranked third by seniors, 17th by those aged 18-49).

Predictably, sports ranked eighth in interest among men, 17th in interest among women. Nearly the opposite was the case for women's programming, with women ranking these services sixth and men ranking them 16th.

Rankings also differed between ethnic groups and income groups. Lower income respondents ranked women's and black oriented channels higher (sixth and seventh), while higher income groups favored culture and sports (third and 11th, among those with incomes of $35,000 or more).

Interest in black entertainers was higher among black viewers, while white audiences ranked cultural programming higher in priority. (Blacks ranked black entertainment second, whites ranked them 12th. Whites ranked cultural offerings fifth, blacks ranked them 16th.)

Education was also a factor in the interest of respondents. Those with college degrees ranked culture third and courses for credit fifth, while those with a high school diploma ranked these categories 11th and eighth, respectively.

Geography can also affect interest, the study suggests. Minneapolis/St. Paul residents are closest to overall group ratings, while Detroit metropolitan residents rated children's programming lower than most other areas. Los Angeles area residents ranked weather and public access services lower, but women's programming higher than other regions. Residents in the Southwest ranked culture and education channels lower than other markets, but gave municipal council meetings relatively high marks.

The sample group, according to LaRose, tended to be well-educated, white and young. Only 13 percent had less than a high school diploma, while 19.5 percent had a college degree, 12.6 percent had been to graduate school, and 27.9 percent had some college education. Ethnically, the sample group was 72.9 percent white, 11.6 percent black, and 11.4 percent were from other ethnic groups. Almost

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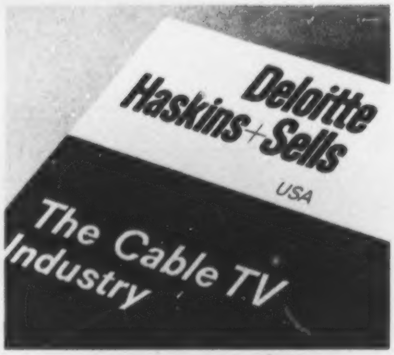

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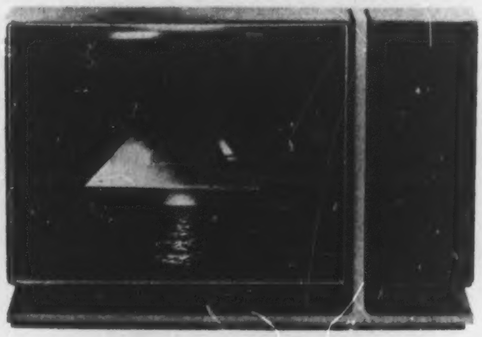

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one-fourth of the sample group were between the ages of 25 and 34, and 22 percent were between 35 and 49. Those between the ages of 50 and 64 made up 21.9 percent of the sample, and only 12.3 percent were over 65. Slightly more than half of the sample earned less than $25,000 a year, with 15.1 percent earning between $25,000-$34,999, and 21.9 percent earning $35,000 or more.

What surprised and dismayed the research group was that most of the cable programming concepts being offered today appeal to young adults. This contradicts, LaRose told *CableVision*, the cable industry's claim of delivering on narrowcasting concepts.

"Cable programmers are putting out a lot of programs that appeal to one target audience, the lucrative and large audience of the baby boom generation," he said.

For example, while there is plenty of programming that offers entertainment for young adults, there is little news and information programming for this group. Similarly, there is a lack of entertainment services that appeal to elderly viewers.

This gap, LaRose suggested, creates an opportunity for services geared toward as yet untapped audiences, such as senior citizens, the less-educated, and less-affluent. Although these groups seem to be less attractive target audiences for both programmers and operators, according to LaRose, the study discovered that members of these groups might be more willing to pay for basic cable service if they found programming of special interest to them.

In fact, poorer respondents are not necessarily scared off by current industry price structures, but seem willing to pay for home entertainment. Therefore it may not be necessary for operators to discount these services in urban markets, LaRose said.

Education, sex and age are the most important factors influencing cable subscribers. College educated, young adult male respondents are more likely to subscribe than less educated, older or female respondents. The study also suggests that interest is related to program preference. People who desire cable courses, adult entertainment and news are the most likely subscribers, while those respondents attracted to religious programming tend to be older and less affluent and also less interested in subscribing.

LaRose told *CableVision* that a new tiering structure, based on generating interest in potential subscribers in individual program types, may work best in new cable environments.

"When you move out of the heartland of the country there is more diversity of lifestyle in urban and suburban areas. Operators need to accommodate these differences and market services around lifestyle—like magazines do," he said.

The problem operators must figure out is how to allocate services between lower and higher tiers and find out which services go together and which have similar patterns of appeal to potential subscribers.

The survey suggests that operators have two choices: to place similar services on different tiers so that subscribers will have to purchase higher tiers to get all of the services they desire within a category, or to organize similar services on the same tier, so that subscribers will have to purchase higher tiers to get distinct types of programming.

The ELRA study concludes that services triggering a decision to subscribe—education, adult entertainment, and news for example—should be on the lowest tiers.

ELRA has developed two tiering models to support its conclusions. The first is vertical: Tier I is devoted to news, education, municipal government, black, women's, religious, public access, Spanish movies, and nightclub acts. Tier II is devoted to movies, children's programming, music, weather, and shopping; and Tier III to culture, financial, state government, and sports services.

The second tier model is horizontal, and is the one preferred by the ELRA Group, according to LaRose. It includes a basic service of informational, self-improvement and public affairs channels, and four optional tiers: cultural programming, sports, family and entertainment services.

While these tiering models may go contrary to the current popular wisdom in the cable industry that movies are the best services to attract subscribers, and educational channels the least attractive, the study says that because the opportunity to take courses, for example, is a unique one, this will make cable more, not less attractive to new subscribers. This doesn't mean that classes in chemistry, biology or the law will outdraw movies; rather, that courses, and also the other highly rated but less highly priced services, may be an important consideration to people when deciding whether or not to subscribe.

LaRose told *CableVision*, "This study tells the cable industry that it should start balancing programming and marketing concepts to these new audiences, and that operators should consider fundamental new approaches to tiering around lifestyle."

—David Stoller

Broadcasting—rock solid

New CBS study concludes cable networks' potential represents no threat

NEW YORK—While acknowledging the growth and steadily increasing competition from the cable systems, a new CBS marketing report concluded that broadcast is in no danger of losing ground to cable, in terms of advertising revenues or audience numbers.

The chart-heavy study, released this month by the CBS Television Network Sales/Marketing Services unit, has been written with advertisers in mind, vowing to take a "hard, cold look at the potential of cable over the remainder of the decade." Not surprisingly, CBS researchers concluded that "by the end of the decade the television landscape will look significantly different." But according to the network, the predominant shape of television audiences and the bulk of advertising revenues will continue to be where they are today—in commercial broadcasting.

The study, titled "The video marketplace in 1990: Diversity, Growth and Perspective," divided cable into three categories—advertiser-supported cable networks, pay cable networks, and local systems. First examining the ad-supported networks, CBS suggested three "scenarios" for cable advertising revenues in 1990: the $2 billion market, the audience/CPM-based model, and the magazine-based prototype.

The first scenario focused on the "popular cable industry estimate of $2 billion in national advertising revenues by 1990." If 10 networks survive, each would share $200 million of the total pie, according to CBS.

The second view gives the ad-supported networks an overall 9 percent share of 1990 prime-time and fringe viewing, amounting to 675,000 viewers for each of the surviving networks at that time. Adding a "generous" 33.3 percent premium for the selectivity of the cable network audiences, to a previous calcuation of the broadcast CPM, the study derived a $12.75 CPM for the cable networks. Assuming a four-minute commercial load, that translated to $173 million in revenue for each of the networks.

The third scenario models a 1990 advertiser-supported cable network universe, with eight types of cable networks paralleling the eight basic top circulation magazine formats. As with magazines, the model assumed the revenues would be based on a combination of subscription and advertising dollars. The study concluded that the networks can gain slightly more than $3 billion in revenues.

Broadcast network revenues, meanwhile, will total at least $15 billion in 1990, with an added $18 billion in television station revenue, according to CBS researchers. "To put these estimates in perspective," the study returns to the $200 million figure for each of the cable networks, saying that it would seem each cable network could mount an effective schedule for that sum.

Given these comparative figures, the study pointed out that "it is projected that the networks will be able to outbid the advertiser-supported cable networks for any programming that shows substantial appeal."

CBS forecasters see much more compeition from cable on the pay front. The study estimated that based on a 60 percent cable penetration and 75 percent pay-to-basic ratio, pay network revenues would reach $5.4 billion annually by 1990. "That is an impressive figure," CBS admitted. "Collectively (the cable networks) should offer the network significant programming competition in 1990."

This revenue pool, with multiple subscriptions adding to the total, should allow the pay services to develop original programming. However, CBS contended that theatrical features and sports will remain pay's staple. It's not all rosy, however, according to CBS, the report cites a major threat to pay services coming from production companies who "will want a bigger piece of the action than existing pay services provide," and also notes increased competition for new pay programmers.

Moving on to sports, CBS researchers gave short shrift to the possibility of the cable networks, pay or ad-supported, ever capturing the National Football League contract. Despite the fact that pay would represent solid revenue potential, the study notes that 30 percent of the current NFL audience would be disenfranchised because of the lack of access to cable television. The NFL, said CBS, will look hard at these potential downside risks before yielding to the allure of pay cable revenues.

A second threat from pay is in direct competition for advertising revenues. Noting that Madison Avenue is very much in support of pay cable advertising, CBS believes that the pay services will succumb to the magazine scenario, using advertising revenues to subsidize subscribers by offsetting subscription fees. The pay networks will probably end up running advertising in clusters between programs, said CBS, estimating that revenues might total $620 million a year, "An impressive number but not a severe threat to the networks $15 million revenue base," CBS maintained.

Local advertising gets a brief mention, by network researchers who believe the expanding number of systems will make local operators too fragmented to compete with broadcasters. Estimates of cable's 1990 potential range from $500 million to $1 billion and are more a threat to local newspaper and magazine advertising, than to the television stations which are expected to reach $18 billion in advertising revenues by that time, CBS asserted.

The report notes that "broadcasters are not without their own new technological weapon," teletext, which CBS claimed could generate $1 billion in 1990 revenues. A further offsetting factor, according to the study, is that monies lost to cable will be replaced with new dollars from new advertisers.

CBS concluded its research by taking on three of the ad-supported networks—WTBS, ESPN and Cable News Network.

While maintaining that advertiser investments in cable have "represented more of a hedge against the future than efficient television buys," CBS noted reasons why advertisers should choose its programming over cable. WTBS, according to the study, has the following shortcomings: unbalanced coverage; an audience concentrated in the southeast with only 13 percent of households in the top 10 markets; cherrypicking (CBS claims that a number of systems carrying WTBS pre-empt it for local interest sports programming); a commercial environment that is made of local advertising, blanked out for public service announcements for non-Atlanta viewers; and an audience that defies the cable narrowcasting concept.

CBS then dismissed ESPN by saying that it also suffers from cherrypicking and is likely to lose its most attractive elements to competing pay services in the future. Potential coverage or 17 percent of the nation, with $2.88 CPM, does not make it an efficient buy, according to the study.

Despite a lower CPM of $2.50, CNN also has its share of drawbacks, according to CBS. The study cites the lack of a local news element and the fragmentation of the audience with CNN2 and competition from Satellite News Channels.

Summing up, CBS maintained it is clearly the more efficient buy, and urged advertisers not to "abandon sound media planning and buying procedures in a speculative rush to position themselves in the vanguard of cable communicators."

CBS noted that it is currently sponsoring research to measure the advertising values delivered by the cable networks, and plans to release regular reports on cable audiences.

—Karen Bloom

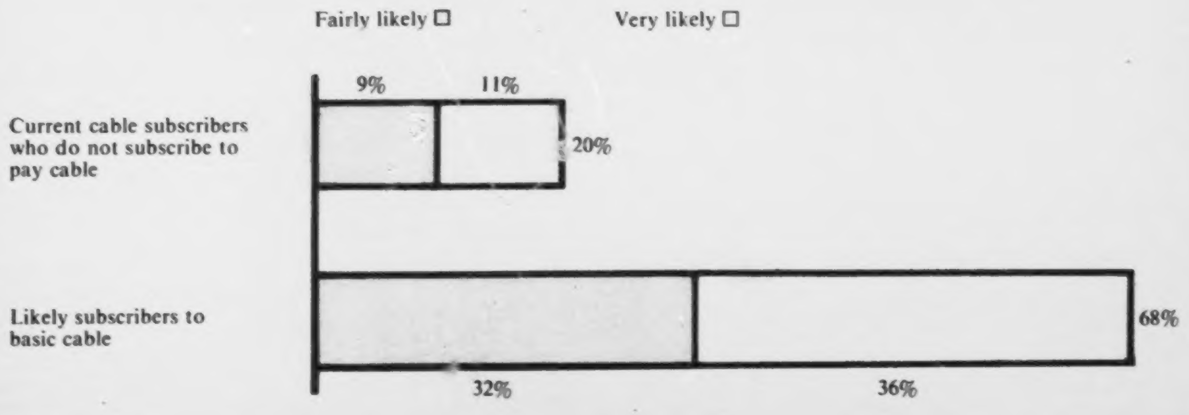
Anti-recession findings

Report on consumer spending trends shows continued growth for cable industry

PRINCETON, NJ—The market for cable services has not suffered from the recessionary cutback in consumer spending. That's the conclusion of Opinion Research Corporation's newly released report on cable subscription trends, which finds continuing high levels of consumer interest in the purchase of cable offerings.

According to the study, which is a follow-up to an April 1981 report, the market potential for programming and interactive services appears unlimited for both newer and older subscribers.

Likelihood of pay cable subscription in the next 12 months



The survey of adults in the randomly selected sampling of 2,000 households nationwide found that between 20 and 25 percent of non-subscribers in cabled areas indicate they are likely to purchase cable in the next 12 months. This would bring penetration levels of homes passed to approximately 63 percent by early 1983, ORC researchers predict. Subscribers, according to the survey, will come from all age groups, while continuing to consist of mainly middle-income families.

Subscriber age, according to the study, is no longer the factor it once was. While the data obtained last April showed age to be an important consideration in evaluation of the market, new information reveals subscriber expansion in the over-24 bracket has been extensive. "Cable subscribers can no longer be identified as the 'new generation' of media users," ORC concluded.

Results of the survey indicate cable availability in nearly 68 percent of households nationwide. This represents a 9 percent increase in availability since April 1981. The pace of conversion of non-subscribers has not been hurt by the increase in accessed base, the survey noted. Where cable is available, half (51 percent) of television households subscribe—an overall increase of 5 percent over last year.

With respect to future growth, the data give no indication of cable halting or slowing its upward trend. The study finds that the public indicates a greater likelihood of subscription during the next 12 months than they did in the previous survey. Among non-subscribers in wired communities, one in six said it is very likely that their households will subscribe in the near future and an additional 13 percent said it is fairly likely. This is an increase of 7 percent over the conversion potential indicated in the last study.

ORC found pay programming, particularly the availability of multiple services, holds the most interest for the public and will be the mainstay of the

NEW Unscramble Your Installation!

Fast and easy identification of your basic drops and pay levels is now possible with "Label Locks" from CWY. Our new Label Lock model has extra length to accommodate the latest style (F) connector. It comes in six distinctive colors that can be used in hundreds of combinations. Colorfast to withstand inclement weather, Label Locks are easily seen from the ground, eliminating extra climbing and giving you years of easy audit.

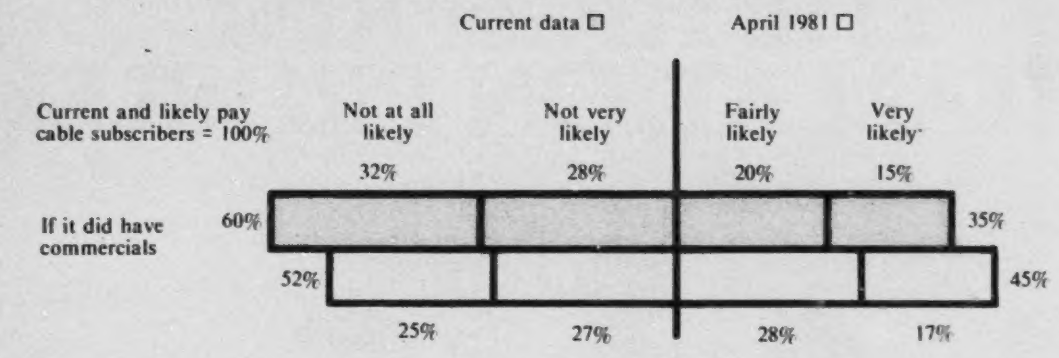
Attachment of the Label Lock is quick and permanent. They simply snap together and must be destroyed to be removed. This prevents tampering or tag changing. As an added feature any Label Lock may be attached to the junction of a Vitek trap or drop cable, serving as a label and security device.

Label Locks come in two sizes and will fit any drop cable or Vitek trap. Each has an area especially made to be written on.

CWY

[illegible] Earl Avenue
[illegible], Indiana 47904

Call Toll Free 1-800-428-7596
Indiana 1-800-382-7526



Likelihood of subscribing to pay cable with commercials

industry's growth in the coming years. ORC findings show 68 percent of potential cable subscribers are also likely to purchase at least one additional entertainment channel at an average monthly charge of $10. Among basic subscribers, the study indicates one out of every five is likely to purchase a pay service in the next 12 months.

ORC noted since its last survey, subscription-to-pay services have increased at three times the rate of increase in subscription-to-basic service. Currently, 61 percent of subscribers also pay for an additional tier of programming options, 14 percent more than nine months ago.

"Pay cable has created an undercurrent all its own. The concept of tiering has played an increasingly vital role in the development of the new media. Cable operators lure subscribers with the availability of special service options, and at the same time, the public shows increasing levels of interest in having more options," according to the report.

Along with pay programming, the introduction of specialized basic channels and interactive services (such as shopping, home security, and pay-per-view) have the potential of increasing subscription rates by as much as 50 percent, the study found.

At least half of the public has expressed interest in a 24-hour general information channel, a 24-hour continuous news channel, and one channel that features college or business-related courses. Shopping services and a channel featuring stock investment data are of less interest to consumers, according to the study. However, because one-third of the respondents were interested in these offerings, ORC researchers conclude, with careful targeting, they would have a market.

Other services with potential appeal include a channel for obtaining information about health and fitness, with the option of an interactive programming guide especially desirable.

The proposed availability of special program channels, according to the report, will boost the likelihood of attracting non-subscribers. Among non-subscribers with cable access, the study revealed 44 percent would be likely to subscribe if the various channel options were available at a reasonable cost. This compares with only 31 percent who said they are likely to subscribe to basic services.

But while ORC research showed subscribers are interested in more programming options and specialized services, its respondents are not pleased with having advertising inserted into their pay programming.

The results of the study indicate that although a large number of current and potential pay cable subscribers will tolerate commercials under certain conditions, even under the most agreeable circumstances subscription is substantially jeopardized. The findings revealed that the level of commercial acceptance by current and potential pay subscribers is less than the previous survey. Currently, about one-third (33 percent) said they still would be likely to subscribe if pay cable had commercials throughout the programming as on broadcast television—10 percent fewer than the number who accepted the concept nine months ago.

Positioning of commercials at hourly intervals makes the proposition more acceptable. Six in ten subscribers or potential subscribers said they would still subscribe under this condition. But even this acceptance level is less than indicated in the last survey. However, if commercials were accompanied by a 20 percent reduction in the cost of the service, as many as 68 percent said they still would be likely to subscribe.

Of greater significance to ORC researchers is their finding that those who subscribe to a pay channel react more negatively than future subscribers to the idea of commercials in the programming. "This suggests that the absence of commercials may be one of pay TV's strongest advantages over network television and that any other advantages are not enough to retain subscribers once commercials are introduced," the report stated.

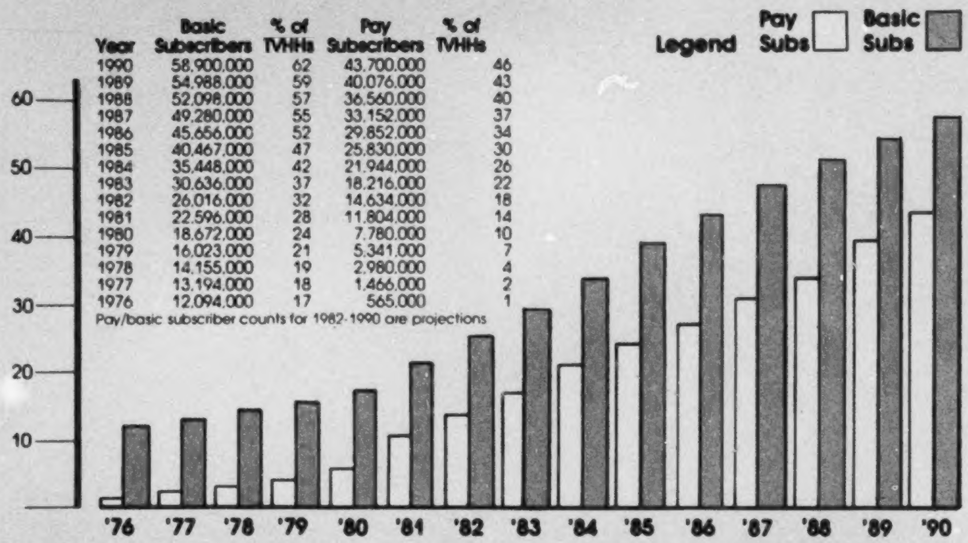
Commenting on the findings, ORC cable research vice president Howard Horowitz said, "While each cable system forms a unique market, this national data indicate that it would be a worthwhile investment for marketers and operators to study the precise nature and extent of their own system's market potential. While their current subscriber base remains the best market for new programming and service options, new options combined with creative tiering strategies can broaden the appeal of cable to market segments that have traditionally been the hardest to convert."

Other topics examined by the study include ownership of other forms of electronic entertainment and the effect of cable television on other media.

—Karen Bloom

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH)	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

Cable programming services' subscriber counts

Basic Cable Services	Affiliates*	Subscribers*	% Change In Homes From 2/28
ACSN	214	1,387,186	-11
BET	845	9,100,000	+2
CBN	2,800	15,700,000	+3
CBS Cable	350	4,000,000	N.C.
CNN1	2,142	11,815,650	+4
CNN2	83	870,000	+9
C-SPAN	1,000	11,000,000	N.C.
Daytime	250	4,200,000	N.A.
ESPN	3,545	15,382,371	+5
Eternal Word Television Network	25	315,000	+5
MSN	541	4,100,000	N.C.
MTV (as of 1/1)	300	2,500,000	N.C.
National Christian Network (as of 3/22)30	318,684	+2	
National Jewish Television	86	1,837,500	+7
Nickelodeon/ARTS (as of 1/1)	1,350	6,200,000	N.C.
North American Newstime	117	894,193	+1
PTL	570	5,100,000	+8
SIN[1]	175	21,393,490	N.C.
SPN[2]	457	4,369,511	+2
Trinity	170	1,587,000	+25
USA Network	1,800	10,500,000	+5
WGN	2,605	8,176,200	+2
WOR	1,309	4,864,600	+1
WTBS	4,052	20,375,000	+4
Basic Audio Services			
Lifestyle	50	482,216	+7
WFMT	121	738,440	+7
Pay Services			
Bravo(as of 3/22)	26	48,300	+3
Cinemax (as of 12/31/81)	600	6,000,000	N.C.
Escapade (as of 3/22)	115	206,000	+3
GalaVision	134	100,000	+5
HBO (as of 12/31/81)	3,300	8,500,000	N.C.
Home Theatre Network (as of 2/28)	275	155,000	N.C.
Home Theater Network Plus	N.A.	N.A.	
The Movie Channel	1,500	1,750,000	N.C.
Showtime (as of 12/31/81)	1,300	2,860,000	N.C.

*Affiliate and subscriber counts are as of March 31, 1982, unless otherwise noted.

[1] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 2,772,500.

[2] Subscriber count denotes households receiving signal.

N.A. designates not available.

N.C. designates no change.

Announced Satellite-fed Cable Services	Projected Launch Date
ABC/ESPN Pay Service	T.B.A.
American Satellite Network	T.B.A.
Biznet (U.S. Chamber of Commerce Sat. Net)	2/82
Black Music Cable Channel	third quarter 1982
The Buena Vista Channel	T.B.A.
Cable Health Network	6/82
Cable Newspaper Corporation	9/82
CableShop	first quarter 1983
Christian Media Network (relaunch)	T.B.A.
Chromatic Animation	fall 1982
Cinemerica	mid-1982
The Disney Channel	first quarter 1983
EROS	5/6/82
Family Programming Network (Billy Batts)	T.B.A.
Heartbeat Media Network	third quarter 1982
Home Music Store (audio)	second quarter 1982
Inter Media Entertainment Service	T.B.A.
The Job Channel	T.B.A.
Kidvid Network	9/82
Lewmark Productions Music Channel	9/82
Magicable	fall 1984
Milwaukee Exhibition Conventional Arena	T.B.A.
Nashville Network	3/83
National Jazz Network (audio)	4/82
Nostalgia Network	T.B.A.
PBS Cable	T.B.A.
Penthouse Entertainment Network	T.B.A.
RCTV/Entertainment Channel	6/82
Satellite News Channels (channel one)	6/82
Satellite News Channels (channel two)	first quarter 1983
Shopping by Satellite	fall 1982
Sitcom Channel (Channeltainment)	first quarter 1984
Spanish Universal Network	7/82
SPN/international network	second quarter 1984
SPN/financial-religious network	second quarter 1984
SPN/classic movie service	second quarter 1984
SPN/how-to network	second quarter 1984
Top Entertainment Network	T.B.A.
United Satellite Television Network (4 services)	first quarter 1983
U.S. Catholic Conference Satellite Network	9/82
UTV Cable Network	second quarter 1982
Video Concert Hall (relaunch)	fall 1982
The Weather Channel	5/82
Window	T.B.A.
Wisconsin all-Sports Network	1983

T.B.A. designates to be announced.

National cable advertising

This chart lists national advertising sales by the basic cable networks during February 1982.

Network/client	Status
BET	
Amtrak	Renewal
Anheuser-Busch	Renewal
Carson Products (Dark & Lovely)	Renewal
Ford (Lincoln-Mercury)	Renewal
General Electric	Renewal
General Foods	Renewal
General Mills	Renewal
Philips Petroleum Co.	Renewal
Pepsico	Renewal
Sears	Renewal
U.S. Army	Renewal
U.S. Navy	Renewal
Westinghouse	Renewal
Wrigley's	Renewal
Xerox	Renewal
CBS Cable	
Bristol-Myers	New client
Dow Jones	New client
E.F. Hutton	New client
Ford	New client
General Motors	New client
Shell Oil	New client
Volkswagon	New client
Warner Communications	New client
CNN	
American Home Products	Renewal
Atari	Renewal
Bristol-Myers	Renewal
Campbell Soup	Renewal
Eastman Kodak	Renewal
EZ Painter	New client*
Ford	Renewal
General Foods	Renewal
J.C. Penney	Renewal
John Deere	New client
Mastercard	Renewal
Nabisco	Renewal
Northwestern Mutual Life	Renewal
Ross Daniels	Renewal
Sears	Renewal
Snapper	New client*
U.S. Shoe	New client
Weed Eater	Renewal
Daytime	
Campbell Soup	New client
Corning Glass	New client
DMC Corp.	New client*
General Motors (Chevrolet)	New client
Kraft	New client
Nylint Toys	New client*
Quaker Oats	New client
Revlon	New client
Sears	New client
Trans World Airlines	New client
ESPN	
Activision	Renewal
American Express	Renewal
Atari (Warner Communications)	Renewal
Blue Bell (Wrangler)	New client
Borden's (Krylon Products)	New client
The Boxing Analyst	Renewal
British Airways	Renewal
Budget Rent-A-Car	Renewal
Champion Spark Plugs	Renewal
General Motors (Chevrolet)	Renewal
Control Data Corp.	New client
Davis	Renewal
Demorex	Renewal
Dunlop Tennis Racquets	Renewal
Eastman Kodak	Renewal
Family Handyman Magazine	Renewal
Ford	Renewal
Fram	Renewal
General Cigar	New client
Goodyear	Renewal
Hanes	New client
Iveco	New client*
J.C. Penney	Renewal
Jockey	Renewal
Mazda	Renewal
Mercedes Benz	Renewal
Nabisco	New client
Nisson (Datson)	Renewal
Norelco	Renewal
Northwestern Bank	New client*
Pennzoil	Renewal
Philips Petroleum	Renewal
Prince Tennis Racquets	Renewal
Pendleton	Renewal
Saunders Leasing	New client*
Sony	New client
Tasco Binoculars	New client*
Video Magazine	Renewal
Weed Eater	New client
Xerox	Renewal
Yamaha	Renewal
MSN	
Dart & Kraft (Tupperware)	New client
General Foods	Renewal
Ideal Security Hardware	New client*
MCP Food	New client*
Ralston Purina	New client
Scott Paper Co.	Renewal
Stouffer's	New client
National Jewish Television	
El Al Airlines	New client*
SIN	
Balacchi Wine	New client
Banfi Products (Riunite)	New client
H.J. Heines	Renewal
M & M Mars	New client
TeleFrance	
Chanel	Renewal
Club Med	Renewal
Elf Aquitaine	Renewal
Exxon	Renewal
Made in France International	Renewal
USA Network	
Activision	Renewal
American Home Products	Renewal
Anheuser-Busch (Old Milwaukee)	Renewal
Borden's (Krylon)	New client
Colgate-Palmolive	Renewal
Exxon	Renewal
Ford	Renewal
General Motors (Chevrolet/Cadillac)	New client
Hanes Corp.	Renewal
J.C. Penny	Renewal
Maxell	New client*
Norelco	Renewal
Phillip Morris (Miller Brewing)	Renewal
RCA Records	New client
Schering-Plough (Paas Kits)	Renewal
Sony	Renewal
Travelers Insurance Co.	New client
U.S. Postal Service	Renewal
WTBS	
American Home Products	Renewal
Beechnut	Renewal
Borden	Renewal
CAC Accounting Services	New client*
Carnation	Renewal
Chrylser	Renewal
Eastman Kodak	Renewal
Firestone	New client
Ford	Renewal
General Foods	Renewal
Johnson & Johnson	Renewal
Kidco	Renewal
Kraft	Renewal
Leisure Dynamics	Renewal
Mego	Renewal
National Car Rental	Renewal
National Enquirer	Renewal
Proctor & Gamble	Renewal
Redman Tobacco	Renewal
Ross Daniel	Renewal
Sears	Renewal
Toyota	Renewal

ESPN

These clients were left off ESPN's list for January because they were not available at press time.

Network/client	Status
Avis	Renewal
Brown Shoe	Renewal
Delco Manufacturing	New client*
DuPont	New client
General Motors	Renewal
Getty Oil	Renewal
Gillette	Renewal
GTE	Renewal
Huffy Bicycles	New client
Mattel	Renewal
Mobil Oil	Renewal
Norelco	Renewal
Noxell	Renewal
Philips Petroleum	Renewal
Richland Shoe	Renewal
Schefflin	Renewal
Thermos	New client
Turner Broadcasting (CNN)	Renewal
United Airlines	New client
U.S. F & G Insurance	New client*
Walt Disney Productions	New client

*New to national network advertising.

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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C8920-2

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- BET pushes expansion, changes satellites
- HBO, CBS Cable, WACC lead ACE nominations
- Sportschannel inks 30-year pacts with Islanders, Mets

CableVision™

The news and features weekly of the cable television industry

May 3, 1982

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CableVision Volume 7, Number 34, May 3, 1982

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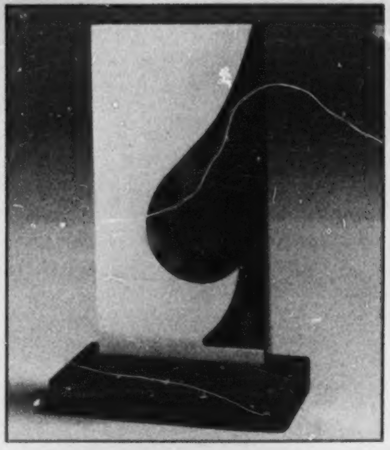

The ACEs

Nominations for the ACE awards were announced by the NCTA last week. Leading the count were HBO, CBS Cable and WACC with the most nominations. **Leading the week, pages 13-16.**

Disconnecting AT&T

The National Cable Television Association, which was among hundreds of parties that filed comments in the AT&T divestiture case, has urged a federal court to restrict Bell's entry into cable services. **Leading the week, pages 13-16.**

BETing on a pair

Black Entertainment Television is pushing expansion plans back and changing satellites in the process. Westar V will be the new BET home when it pilots a prime-time course in August. **Leading the week, pages 13-16.**

Tex book marriage

Centel Communications, Honeywell Information Systems and Field Enterprises are joining forces to produce a videotex and teletext service for Chicago. **Leading the week, pages 13-16.**

Over—and uneasy

Cinemerica Satellite Network suffered another setback to its senior citizens channel as Daniels & Associates abandoned a search for a financial backer. **Page 22.**

Sporting proposition

Sportschannel has locked up coverage of the New York Mets and Islanders for the next 30 years with a deal that has some industry observers shaking their heads. **Page 22.**

Must-ering support

As must-carry provisions in the copyright compromise work through Congress, basic cable service executives are stepping up to comment on the hot issue. **Page 27.**

Measurements by bi

bi Associates, a Maryland-based supplier of cable data, has entered the audience research fray with a new measurement tool. **Page 30.**

Time's passage

Time Inc. shareholders were treated to a mixed bag of financial figures at the annual meeting last week. The bottom line was that the huge firm reported a first quarter drop in income. **Page 55.**

Income potential

Oak spent nearly a year in preparing, conducting and compiling data on the future of MSOs and potential needs. The predictions include income growth and more rebuilding. **Page 55.**

Viacom bonanza

Viacom has picked up the last hunk of the Portland area franchises while sneaking ahead of its competition in Milwaukee. **Page 61.**

A line for every party

A panel of experts took the opportunity provided by the Washington chapter of Women In Cable to address issues surrounding the AT&T pact. As expected, the experts stayed with frequently spoken lines. **Page 63.**

This week in *CableVision Plus*

Following a year of plagues that included design problems, delivery delays and appalling failure rates, manufacturers of addressable converters are scrambling to recoup their reputations. *CV Plus* writer Victoria Gits examines the issue, which has turned out to be a "jack-in-the-black-box" for the industry. The Operations theme continues with an examination of the evolution of QUBE, which has evolved from Columbus to Cincinnati to the third generation in Pittsburgh. **Pages 31-54.**

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Operations

- Addressability leaves manufacturers scrambling, p. 4
- QUBE: the evolution of interactive technology, p. 14

CableVision Plus™

A weekly feature supplement

Vol. 1 No. 16

THE MOST COVETED CONVERTER.

GENERAL INSTRUMENT
02-61
JERROLD 400

From JERROLD...
the most experienced
manufacturer.

GENERAL INSTRUMENT

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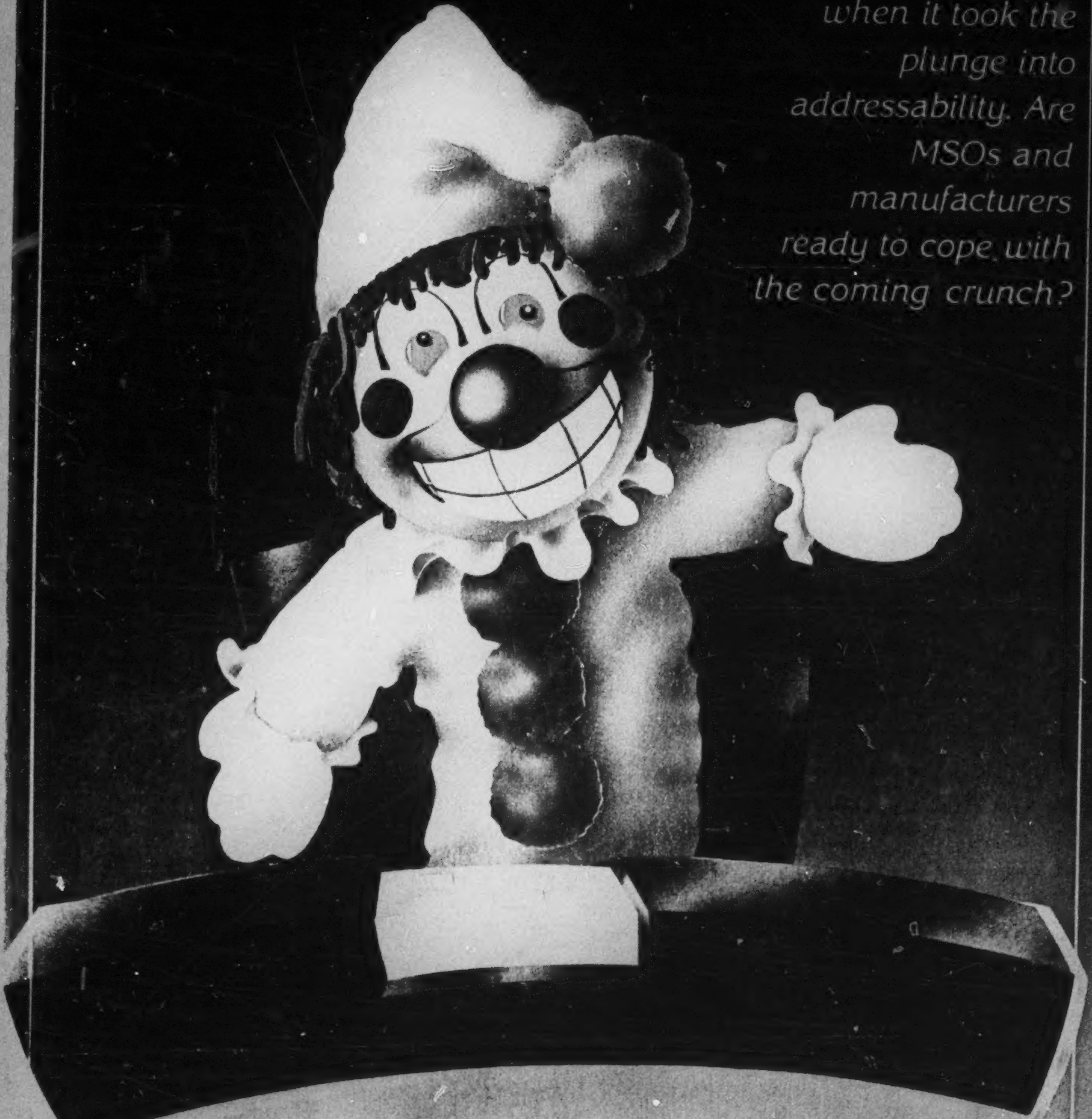
May 3, 1982

Jack-in-the-Black-Box

There were lots of surprises in store for the industry when it took the plunge into addressability. Are MSOs and manufacturers ready to cope with the coming crunch?



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By Victoria Gits

How do you find the guys who make addressable converters? Look for the ones with the arrows in their backs.

Plagued by design problems, delivery delays and appalling failure rates in the last year, manufacturers are scrambling to recoup their reputations.

"Let's face it, the addressable converter has a tainted history. Anything that fails at a rate of 14 percent is not going to win accolades," said one frank equipment supplier. Many operators will tell you the proportion of duds was closer to 40 percent.

Sometimes it got as high as 100 percent, as was the case in Fort Worth, Texas, where Sammons was forced to halt marketing activities in January because static electricity problems blew out 1,500 TOCOM converters. They all had to go back to the factory, leaving Sammons with some 175 miles of cable system ready to go and a mere 150 subscribers.

TOCOM has since corrected the defect and Sammons reports 1,500 units delivered as of early April. The firm expects to be caught up in June. Sammons engineers say they are crazy about the product and the wait was "absolutely" worth it.

Teleprompter says a delay in delivery of Jerrold converters last year put it about a year behind in St. Louis. Cox says Oak was nine months to a year behind in Omaha and is just now getting up to speed. Cox likewise blames slow deliveries of Oak converters for postponement of the long-awaited INDAX experiment in San Diego.

Scientific-Atlanta finally dumped its first-generation, addressable 6700 after making 250,000 of them (the company blames higher-than-expected costs) and is set to go gangbusters with a brand new model, the 8500.

To those who would say the less-than-sterling track record so far has left the door wide open for the likes of Pioneer, Sony and Matsushita, for example, the Jerrolds, Oaks and TOCOMs say, "Nonsense."

The domestic makers insist they have been through the learning process, have ironed out the kinks, are ramped up and ready to deliver.

"Why would an operator choose a brand-new supplier over dealing with one he knows, one he's been through hell with and one he knows can dig him out?" says John Messerschmitt, director of marketing, subscriber products division of Scientific-Atlanta.

For the most part, cable operators surveyed by *CableVision* verify that the success ratio of addressables is substantially improved. Those few with direct experience are confident the technology works, but whether it represents a cost savings is the question that remains to be answered.

Companies are investing heavily in expanded production capacity, but whether they can get the assembly lines in shape fast enough to meet the demand is also open to debate.

Meanwhile, though the Japanese are making noises, they can hardly be said at this time to have achieved a presence.

Just between us

American MSOs are reluctant to talk about their dealings in detail, though they admit off-the-record they have been carrying on conversations with Matsushita, Hitachi, Sony and others. Some potential customers have been invited to visit factories in Japan.

"They are fishing right now," said one source. "They do their homework very well first and come back later," said another.

The Japanese have had some practice at the business of making converters. Alps manufactures components and terminals for Jerrold, Matsushita for RCA, Hitachi for Hamlin and, until recently, Pioneer exclusively for Warner-Amex.

"A substantial portion" of Scientific-Atlanta's new addressable converter (the 8500) will be made in Japan by an as-yet undisclosed manufacturer, says S-A's John Messerschmitt.

The company isn't talking, but industry sources say S-A is linked to Nippon Electric Co., a firm that makes Panasonic products and was one of the pioneering manufacturers of low-noise amplifiers.

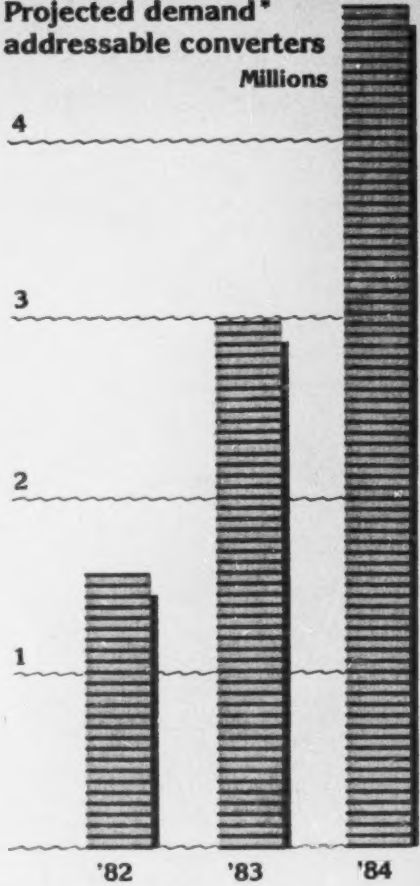
Murata makes a 36-channel nonaddressable converter for Pioneer, RCA and Scientific-Atlanta.

As the market volume shoots into the millions, the most likely trend will be to Japanese manufacture of American-designed units in ever-increasing quantities.

Two Japanese firms, however, have announced their intentions to go out on their own.

Kanematsu-Gosho (USA) Inc.,

Projected demand* addressable converters



*** Average of manufacturers' estimates**

Demand for addressable converters

	1982 Millions	1983	1984	1985
Pioneer (one-way)	1	1.5	2.5	
Pioneer (two-way)	.275	.275	.295	.360
Jerrold	1.8	3.4	5.1	
Scientific Atlanta	2	4	5	
Oak	2.3			
TOCOM	1.5	2		
Zenith	2			
Hamlin	.250			

New York, a subsidiary of Kanematsu-Gosho Ltd. of Tokyo, a manufacturing and trading conglomerate, will introduce its SPRUCER baseband, 64-channel converter (made by Matsushita Electric) at the NCTA show in May. It is said to bear a striking resemblance to the box Matsushita now makes for RCA.

Pioneer Industries announced in March it is taking orders for its VIP one-way addressable terminal. Pioneer's U.S. sales manager John Lanpher says the Japanese manufacturer is prepared to "double, triple or quadruple" production capacity if demand warrants it.

"We don't have to invest a lot of money in new facilities," Lanpher says. "The whole investment in robotics, parts procurement and purchasing power already is there."

The users' views

Cox Cable's Gary Tjaden, vice president of engineering and technology, who was quoted in a *Business Week* article (March 8) as saying he couldn't get reliable converters in volume quantities, has revised his opinion recently. "I'm getting volume quantities now. How reliable they are is another question," said Tjaden in early April.

"There have been problems all along, but they (American manufacturers) have shaken out most of them." He says the quality in general is not yet as good as it should be. "In any other industry you would go out of business." Cox intends to buy nearly one million addressable converters in 1982 and 1983, and Tjaden is convinced the Japanese can manufacture a higher quality product less expensively. "They have a very good shot at it," he says.

He adds that the Japanese have "better expertise in the RF area (the tuning circuitry), the guts of the unit… They are not as good at digital technology. They don't understand it."

To those who argue the Japanese are lacking in software capability, Tjaden says the same could be said of domestic manufacturers. "The Japanese are smart enough to go where they can get it."

What's at stake in this brewing battle is a market for addressable converters estimated by several manufacturers to be in the neighborhood of two million in 1982. Hamlin's president Jim Forgey, however, guessed a more conservative 250,000. "There's a lot of hype out there," he says. By 1983 and 1984, the demand could be as high as four million and five million units, one supplier ventured.

Driven by franchise wars, the proliferation of pay services and the glint of pay-per-view, the size of the take has escalated drastically. "It's bigger than we thought it would be. We didn't expect it to develop so fast," says Wayne Churchman, TOCOM's director of marketing.

Demand has moved so fast, Oak Communications has had to revise its sales forecasts upwards 16 percent recently, compared to October of last year. Where the proportion of addressables was thought to be 33 percent of the total production in 1982, the share shot up to 49 percent by March, leaving Oak with a $90-million backlog in orders for its intelligent boxes.

Between now and September, MSOs will be taking a hard look at the choices. "The battles are going on now behind closed doors," says Messerschmitt.

Teleprompter, with some 350,000 homes under construction in newly franchised areas, can be expected to invest in addressability in a big way in the next two years. Kazie Metzger, vice president of strategic planning and development, says the company is in the process of designing its own specifications for addressable converters in 1982 and 1983. "We're not talking about a totally different unit," Metzger says. "We're looking for the one that is the best for us. Reliability and security are very important to us. This (pay TV) is a very expensive consumer service." Teleprompter is talking to Oak, Jerrold, Zenith and TOCOM. In Middletown, Conn., (10,000 subs) on April 1, the company began a test of 2,700 Oak addressable converters in connection with a pay-per-view experiment. The cable company is selling a series of six movies a month at $5 each. Teleprompter is installing Jerrold converters in its St. Louis system as they become available.

American Television and Communications (ATC) is taking the "slow, methodical approach," says vice president of engineering Larry Janes. Though ATC has Oak addressables in place in Honolulu, Janes doesn't expect the big buys to be made until 1983. Meanwhile, ATC is examining the options and has narrowed the field to three for extended field tests: Scientific-Atlanta, Zenith and Jerrold.

When asked why neither Oak nor TOCOM were among the finalists, ATC's Bob Rast, vice president for research and development, said they weren't as cost-effective. (Oak addressable converters are priced from $112 to $130. TOCOM's cost is $149.) The early static electricity problems in the TOCOM units was not a factor, Rast says. As for Zenith, he says the units "offer the best scrambling approach available today." (Zenith and ATC allied several years ago to create SSAVI, the STV decoder used in the MSO's over-the-air pay markets.)

Rast says ATC has had conversations with the major Japanese equipment manufacturers about cable-related needs in general, not specifically in connection with addressable converters. But he wouldn't be surprised, he says, if the Japanese got into the addressable market.

"The product evaluation is one of the more difficult I've ever gotten involved in," Janes says. "One vendor might have good hardware and unreliable software...What makes it difficult is each manufacturer has a different design. You can't make apples and apples comparisons." Janes dismisses technical problems with the first generation units saying, "Every new product needs fine tuning." He adds, however, "Oak (units) are much, much better now than the ones we first got."

Al Gilliland, president of Gill Cable, rates addressability a "huge success" in San Diego after a year spent fine-tuning 25,000 Oak boxes initially distinguished by a reject rate of up to 40 percent and field failure rate of three percent a month. After a trip back to the drawing boards, the reject rate is down to 15 percent, Gilliland reports, and the field failure rate is two percent. "Still a great deal of room for improvement," he says.

Gilliland uses software designed by his own Gill Management Services. Gill Cable offers one pay-per-view event per month and is testing the response to six early-release movies, including *Tattoo* and *Mommie Dearest* this year. Gilliland is convinced the technology works, but he expects the industry to have delivery problems for the next five years.

Addressability is a subject that figures prominently in Tele-Communications' plans for the near future. In fact, as far as is known, president John Malone's intention to go totally addressable in three years—at a cost of $500 million—is the most ambitious to date. Malone's idea is to create a nationwide system with central billing operations and proprietary program guide, a move linked to the company's purchase of a Westar IV transponder.

Meanwhile, TCI engineers are engaged in investigating the options and the consequences. Among the company's properties today, there are only two systems equipped with addressable boxes and TCI has owned them only two months—not long enough to judge.

Dave Willis, TCI's director of engineering in Denver, sums up his mission like this: "We don't know if it's realistic. We do know we have a mandate to find out." The trick is to figure if the risk is worth the reward. To the expenses associated with the hardware and software itself, Willis says evaluators must add in transportation and communications costs associated with centralized billing, plus the price of encoding channels and advanced headend equipment.

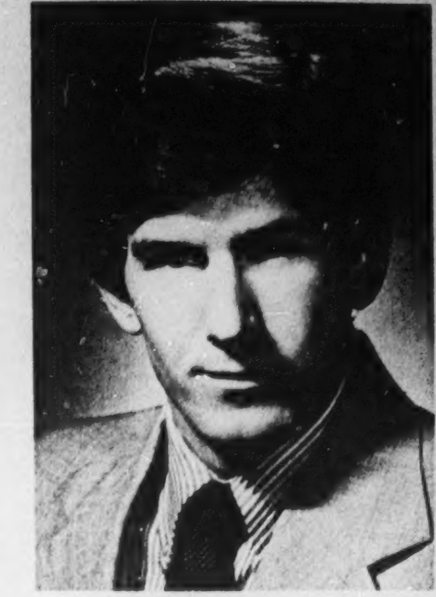
Preliminarily, it seems, the only true savings applies to change of service level and not connects and disconnects, Willis says.

United Cable, Denver, has pledged to go addressable in Scottsdale, Ariz., Oakland County, Mich., and Alameda, Calif. The company has had a disappointing experiment with TOCOM in a suburban Denver, Colo., system. Jim Dovey, vice president and general manager of United Cable of Colorado, says every one of a batch of 240 TOCOM converters shipped in December and January had to be sent back and retrofitted, due to static electricity breakdowns. United is re-installing the boxes in 200 homes and will run some more tests before ordering any more. Dovey is not at all confident the technology will be acceptable within 12 months. It's more like two years away, he says. United is looking at Zenith, TOCOM, Jerrold and Oak.

After suffering through the agony of not knowing whether addressability would work, Viacom Cable of Milwaukee County's South Suburban Systems has become a believer. General manager Arden Tyler says he is quite pleased with the 1,000 Zenith Z-TACS installed since the end of January.

Being only 90 miles away from the Zenith factory might have something to do with the suppliers' prompt delivery, Tyler says. He is "absolutely" convinced the program will save money in the long run, although initially, installing it required more staff than expected. Viacom had to hire one full-time person to run the computer. Zenith is shipping units in quantities of 1,200 to 1,500 a month, Tyler says. The quality varies a great deal from shipment to shipment. Some days the failure rate might be 10 to 20 percent; on others it's 50 percent.

Elsewhere in the Viacom family, Oak addressables are winning high marks. Neil McHugh in San Francisco, with 15,000 addressables installed out of some 60,000 possible subscribers, says his experience has been "excellent," both in regard to delivery and quality control. He says the failure rate of 10 to 12 percent is



Pioneer's John Lanpher says the Japanese manufacturer is prepared to 'double, triple or quadruple' production capacity if demand warrants it.

'In any other industry you would go out of business.'

Cox Cable's Gary Tjaden on quality of addressable converters

equivalent to that of non-addressables. Viacom of San Francisco has ordered 20,000 boxes for 1982.

The supply side

Establishing that the technology actually works and is relatively reliable is one thing. Manufacturing addressable converters in sufficient quantities to meet the need is another.

Using numbers supplied by Jerrold (a division of General Instrument Corp.), it appears the demand for addressable units is 1.8 million in 1982, nearly a 300 percent increase over the estimated 630,000 shipped by all manufacturers combined in 1981.

The suppliers, as a rule, were willing to unveil neither projected monthly production quotas nor actual production capacity. So it is impossible to say how close they are to hitting the two-million mark in 1982.

Looking at the lineup, two players with the most years of experience in the business are Pioneer and Oak. Warner turned on the first Pioneer-engineered QUBE system in Columbus, Ohio, December 1, 1977, the same year Oak was using an addressable concept in connection with its STV broadcasts in Los Angeles. Oak installed its first on-line TotalControl system in Nashville, Tenn., for Viacom Cablevision in March 1980. TOCOM introduced the 55 Plus addressable converter (with text display) in May 1980, and in December 1980 came out with a baseband model, the 5504A. The first shipment of 5504As was in June 1981.

Jerrold introduced addressability at the NCTA show in May 1980, and shipped the first system in Feb. 1981 to International Cable's Buffalo, N.Y., system. Scientific-Atlanta shipped its first batch of addressables (the 6700s) in July 1980 and built 250,000 of them before abandoning the product in favor of the 8500, which goes into production in September 1982.

The first Zenith Z-TACS went on the market in late November 1981. Newcomer C-COR expects to go into production of its pole-mounted SCAT System within six months. Meanwhile, Texscan, another proponent of off-premises devices, projects delivery in July of this year.

Prompted by Chuck Dolan, who was having trouble with off-air interference at Manhattan Cable in the late '60s, Oak began mass production of nonaddressable converters in 1967 and 1968. It was making its first addressables for STV by 1977 and in April 1979 introduced the first 35-channel box (excluding QUBE) to the cable industry and booked its first order. Its timing was impeccable.

Oak shipped 80,000 addressables in 1980; 250,000 in 1981. The orders for its TC-56 are coming in so fast for 1982, Oak has stopped accepting them until August. The units are priced from $112 for the TC-35 to $130 for the TC-56. Oak claims to have 25 addressable systems equipped as of mid-April.

Marketing vice president Dean Bach says Oak has made 72 percent of the units sold nationwide to date.

Bach concedes the company has to "regroup" after initial failure rates as high as 20 percent. It took a year to work the bugs out, but now Bach says the rate is down below five or six percent.

Oak touts a 12-month full warranty including repair or replacement and freight charges, plus a 15-person staff of traveling troubleshooters, up from eight in 1980. A new company-sponsored quality assurance program has been set up to keep records of converter failures and the causes.

With a capacity of producing one million to 1.3 million addressable boxes in 1982, depending on the speed of ramp-up, Oak apparently intends to capture the lion's share of the market.

Last November Oak occupied a brand-new, 110,000-square-foot factory in Carlsbad, Calif. and added 85,000 square feet to its plant in Taiwan, nearly tripling its manufacturing capacity. The number of employees is set to double by the end of the year.

By its own count, Jerrold is winning the contest for the most addressable systems installed—37 to date. Exactly how many units that number represents is a secret, although the company is quite willing to say it will deliver four million converters of all types in 1982.

Manufacturing capacity for addressable converters has been "radically increased," says Jerrold's vice president of sales John Ford, pointing to a former Taiwan tuner factory recently converted for that use. Jerrold boxes range in price from $98 to $102 (36-channel) and $103 to $117 (56-channel). Software (including computer) ranges from $28,000 for a system accommodating 32,000 subscribers to $92,000 (256,000 subscribers). Modules are manufactured at plants in Mexico, Taiwan and Japan (Alps Electric). Final product assembly is handled in Taiwan, Japan and Canada.

The company claims to have a production capacity equal to 100 percent of today's total market. Ford quotes a lead time of 90 days for 5,000 units as of mid-April.

TOCOM, an industry leader in home security, started manufacture of its addressable entry in June 1981. By the end of the year, TOCOM had delivered some 5,000 units, says Wayne Churchman, director of marketing.

Static electricity proved to be the nemesis of the original product and TOCOM was forced to suspend further shipments for six weeks in January and February. "Our engineers said the weather in Matamoros, Mexico (where the boxes were tested), was out of spec," Churchman says wryly.

Having corrected the problem, Churchman says TOCOM has a $30-million backlog to fill. In addition to Sammons, major customers are Storer and Teleprompter.

TOCOM built a new 25,000-

square-foot facility in Matamoros, is currently producing 8,000 units per month and is targeting 30,000 units per month by the end of the summer. (A competitor thinks that's stretching it.)

Aiming for the high end of the market and a $149 price tag, the TOCOM 55 Plus terminal is baseband designed, allowing teletext transmission in the vertical blanking interval.

After investing $8 million to $10 million in research and development of an addressable converter, Scientific-Atlanta is not about to call it quits, despite the fact it had to start over with a new product when it threw out the 6700.

Director of marketing John Messerschmitt is convinced the new, moderately-priced ($120) SA 8500 incorporates features that set it apart from the rest.

To foil tampering, S-A uses two, 8-bit microprocessors that interpret data delivered from the headend. To steal the service, one has to figure out the code. "It's substantially more difficult than clipping a wire," says Messerschmitt, "and the amount of equipment it would take would be worth a small laboratory."

S-A aims to ship over one million addressable units in 1983, says Messerschmitt. The first shipment of the 8500 is set for September and the entire production quota is sold out through December. He is not particularly worried about competition from the Japanese. "You can make the nonaddressables like popcorn, but when you get into 400 MHz, you are talking about systems." Only the Americans have the four factors required to accomplish a switch to addressability: systems, service, engineering and marketing, Messerschmitt adds.

Like Oak, Zenith got its start manufacturing addressable subscriber decoders for the STV industry. Though it shipped more than 5,000 Z-TAC addressables in 1981, the company said it has, by and large, resisted the "tremendous pressure" to get products out too fast.

Clearly intent on becoming a major contender, Zenith is capable of producing more than 750,000 units (nearly half the estimated market demand) in 1982, says Jim Faust, general manager, CATV/STV.

Major customers are Viacom, Valley Cable, Western Communications and Cable Video Communications, plus "a whole bunch of handshakes," says Faust. Zenith addressables are in place in Minneapolis, Milwaukee suburbs, and Arlington, Texas. The price is $6,000 per scrambled channel, plus $50,000 for the controlling computer (INTEL) and software.

Jim Forgey, president of Hamlin International, a Seattle-based supplier that markets the Hitachi-made nonaddressable converter under the Hamlin name, thinks the talk about two million units in 1982 is so much "hype." Nevertheless, Hamlin is set to enter the market with the introduction of three addressable models at the NCTA show in May. The company currently ships some 200,000 nonaddressables per month. Forgey says Hitachi has expanded production capacity to accommodate 100,000 extra units a month—all of which could be turned over to addressable if the demand so warranted. But Forgey is pessimistic on that account, guessing the demand in 1982 is closer to 250,000 than two million.

Newcomers

The Texscan Corp., a firm well-known for its line of distribution and test equipment, is putting its money on the proposition that indoors is no place to put an expensive electronic device. "It's an excellent opportunity to tamper with it," says Raleigh Stelle, vice president of marketing, Texscan, Phoenix, Ariz.

The Texscan Remote Addressable Converter System (TRACS) employs a handheld key pad in the home (about $49) and a strand-mounted mini-computer that services up to 16 sets. The total cost per TV set served is $160, including the inside component.

Designed by a Phoenix-based firm, the companion software can accommodate from 2,000 to 1,048,000 subscribers on four levels of service.

Texscan expanded its El Paso, Texas, plant by 30,000 sq. ft. and will build a new factory in Juarez this year. The firm expects to ship 75,000 to 100,000 units in 1982, and targets delivery of the first units by the end of July of this year.

It's taken two years to get the product off the ground, but C-COR Electronics, State College, Penn. is set to go into production within six months. Like Texscan's entry, C-COR's SCAT System is an off-premises device. Fifty units now are being field-tested. The home key pad is priced at $25 and the outdoor hardware at $180 per subscriber.

'The weather in Matamoros (where the boxes were tested) was out of spec.'

TOCOM's Wayne Churchman on static electricity problems

The cable division of RCA shipped about 100,000 nonaddressable boxes in 1981 and will announce at the NCTA show an "add-on" component allowing upgradability to addressable. The parts will be available for delivery at the end of 1982. An addressable product is in the planning stages, but won't be available for delivery until late in 1982. RCA converters are made in Japan by Matsushita.

It has been a rocky road to addressability for more than one manufacturer so far, and if the skyrocketing predictions come true, 1982 and 1983 could prove equally trying. Suppliers will be pressed to the limit, the deadlines are more critical, the attitude of customers more skeptical. All the time, they'll be listening for the footsteps of the Japanese behind them.

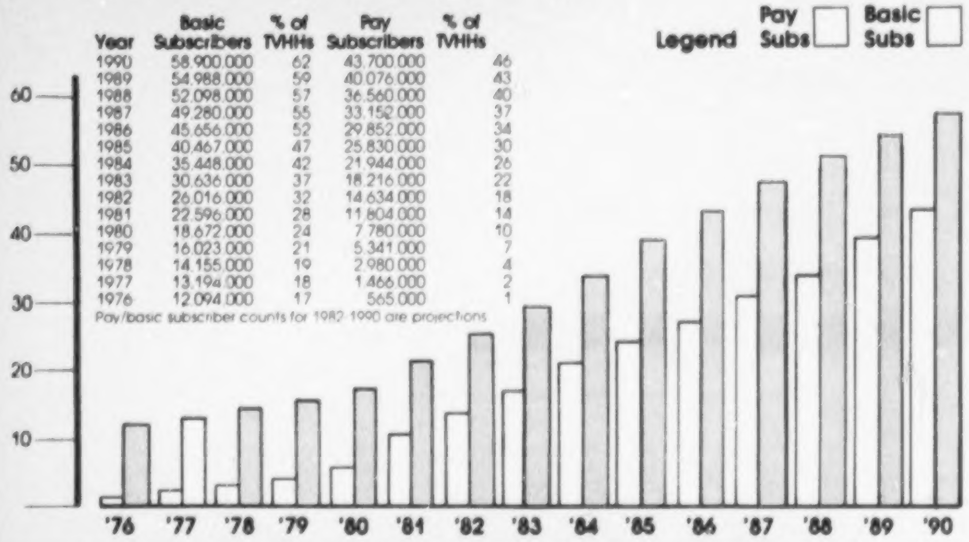
As one sales executive put it, making an addressable converter compared to a nonaddressable is like a lawnmower one year and a computer the next. So what if the pioneers have arrows in their backs to show for their troubles? The stakes are too big for anything to keep them down now.

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) . . .	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable . .	14.93%
Percent of HP with pay cable . .	28.69%
Percent of basic subs with pay cable	52.81%

Film product comparison—May

Film	Networks					Distributor
A Force of One	HBO					HBO
A Little Romance				HTN		Warner Bros
An Enemy of the People				HTN	(C)	Warner Bros
An Eye for an Eye	HBO		TMC			Wescom
Abba—The Movie				(HTN)	C*	Warner Bros
Airplane			(TMC)	HTN*		Paramount
Alice Sweet Alice	(HBO)	ST				Lorimar
All That Jazz	(HBO)	ST*	(TMC)			20th Century-Fox
All the Fine Young Cannibals		ST				MGM/UA
The Amazing Adventures of Joe 90		(ST)			C	ITC
American Gigolo		ST	TMC*			Paramount
The Americanization of Emily	HBO					MGM/UA
Animals are Beautiful People				HTN		Warner Bros
The Apple Dumpling Gang Rides Again	HBO		TMC	HTN		Disney/Buena Vista
Ashanti					C	Warner Bros
The Attic		ST			(C)	Film Gallery
The Awakening	HBO	(ST)				Warner Bros
Bedknobs and Broomsticks	(HBO)	ST*		HTN*		Disney/Buena Vista
Bells are Ringing		(ST)			C*	MGM/UA
Beyond the Reef	HBO					Dino DeLaurentis
Billy Jack					C	Warner Bros
The Black Hole	(HBO)	ST	(TMC)	(HTN)		Disney/Buena Vista
The Blackboard Jungle		(ST)			C	MGM/UA
Blood Barrier	(HBO)	ST				Hemdale
The Blues Brothers	(HBO)	ST	(TMC)			Universal
Breaker Morant	(HBO)	(ST)	(TMC)	HTN*		New World
Breaking Glass	(HBO)		TMC*			Paramount
Brubaker		ST	TMC*			20th Century-Fox
Cafe Express			TMC			Swank
Captain Scarlet vs. the Mysterons from Mars		ST				ITC
Carbon Copy	HBO					Embassy
Cardiac Arrest	HBO		TMC*			Film Ventures
Cat and the Canary	(HBO)		TMC		(C)	Universal
Cattle Annie and Little Britches					C*	Hemdale
Caveman	HBO		(TMC)			MGM/UA
Chandler		ST				MGM/UA
The Children of Theater Street					C*	Peppercorn-Wormser
Cloud Dancer			TMC*			Viacom
Coast to Coast				HTN*		Paramount
Cotton Candy					C*	HBO
Covert Action					C	HBO
Cutter's Way			TMC			MGM/UA
The Daybreakers	HBO					TeleMine
Deadly Games		ST*				Atlantic
Death Hunt	HBO	ST	TMC			20th Century-Fox
Despair	HBO*					New World
Dog Day Afternoon		ST				Warner Bros
The Dogs of War	HBO					MGM/UA
The Earthling	(HBO)		TMC			Filmways
The Electric Horseman	(HBO)	ST	TMC*	(HTN)		Columbia
The Elephant Man	(HBO)	(ST)	(TMC)	HTN*		Paramount
Escape from New York	HBO*					Embassy
The Evil					C	New World
Excalibur	HBO	ST	TMC			Warner Bros
Eyes of a Stanger	(HBO)		TMC			Warner Bros
Fame			TMC*		(C)	MGM/UA
Family Enforcer					C	Gold Key
Family Man					C	HBO
The Fan	HBO	ST	TMC			Paramount
Far From the Madding Crowd		ST				MGM/UA
ffolkes	HBO	ST		HTN		Universal
The Fiendish Plot of Dr. Fu Manchu			(TMC)	(HTN)	C	Warner Bros
The Fifth Floor		(ST)	TMC		C	Film Ventures
Fillmore					C*	20th Century-Fox
The Four Seasons	HBO	ST	TMC	HTN		Universal
The Frisco Kid				HTN	(C)	Warner Bros
From Hell to Victory	HBO			(HTN)		Worldvision
Gigi	(HBO)	ST*				MGM/UA
The Glass Bottom Boat		ST*				MGM/UA
The Golden Gate Murders				HTN		Universal
Graduation Day					C	Wescom
The Green Horizon		ST		(HTN)		Sanrio
The Hand	HBO		(TMC)			Warner Bros
Hangar 18	(HBO)	(ST)	(TMC)	HTN		Worldvision
Happy Birthday to Me	HBO*		(TMC)			Columbia
Hard Country	HBO*		TMC			AFD
The Haunting of Julia	HBO					Show Biz
Hawk the Slayer		ST*			(C)	ITC
He Knows You're Alone			TMC		C*	MGM/UA
Heidi				HTN*		Warner Bros
The Heist			(TMC)		C	Gold Key
The High Country			TMC*			Crown International
H.O.T.S.		ST			(C)	The Blum Group
Hollywood Boulevard		ST			C	New World
Hot Lead and Cold Feet	HBO*	(ST)	TMC*	HTN*		Disney/Buena Vista
The Howling		ST*	(TMC)		(C)	Wescom
Hugo the Hippo		ST*		HTN*		Columbia
I'm All Right Jack					C	Viacom
The Idolmaker	(HBO)		TMC			MGM/UA
Improper Channels	(HBO)		(TMC)	HTN*		Crown International
The Incredible Shrinking Woman	(HBO)	ST	(TMC)	(HTN)		Universal
Invaders from the Deep		ST*				ITC
Jules and Jim					C*	Janus

Cable stats

Film	Networks					Distributor
Julie		ST				MGM/UA
The Kids are Alright					C	New World
Kill and Kill Again	HBO*					Filmways
Kill or Be Killed			(TMC)		C	Film Ventures
King of the Mountain	HBO*					Polygram
La Cage aux Folles					C*	MGM/UA
La Cage aux Folles II		ST	(TMC)		C	MGM/UA
The Last Chase	HBO*					ARG
The Late Show					C*	Warner Bros
Legend of the Lone Ranger	HBO					AFD
Lolita		(ST)			C	MGM/UA
Look Back in Anger					C	Samuel Goldwyn Co
The Looney, Looney Looney Bugs Bunny Movie		ST	TMC	HTN		Warner Bros
Loving Couples				HTN	(C)	20th Century-Fox
The Man Who Fell to Earth					C*	Cinema 5
The Man with Bogart's Face				(HTN)	C	Viacom
The Marvelous Land of Oz				HTN		Universal
Massacre at Central High		ST			(C)	Viacom
Mean Streets			(TMC)		C	Warner Bros
Meanest Men in the West				HTN		Universal
Melvin and Howard	HBO	(ST)	(HTN)		(C)	Universal
Middle Age Crazy					C*	HBO
Mister Buddwing		ST*				MGM/UA
Monty Python and the Holy Grail			TMC			Cinema 5
The Mountain Men	(HBO)	ST*	(TMC)			Columbia
Mulefeathers		ST*				Gold Key
My Bodyguard	(HBO)	ST*	(TMC)	HTN*		20th Century-Fox
Network	HBO		(TMC)			MGM/UA
Night Moves					C	Warner Bros
Nine to Five	(HBO)	(ST)	(TMC)	HTN*		20th Century-Fox
Oh, God! Book II			TMC*	(HTN)	(C)	Warner Bros
Oliver Twist				HTN*		Warner Bros
On the Right Track			TMC			20th Century-Fox
The Other Side of the Mountain—Part I				HTN	(C)	Universal
The Outlaw					C	Universal
Outlaw Blues				HTN	(C)	Warner Bros
The Outlaw Josey Wales	HBO					Warner Bros
Paper Tiger			TMC*			Castle Hill
Penelope		(ST)			C	MGM/UA
Phobia	(HBO)	(ST)	TMC			Paramount
Pick-Up Summer		ST				Film Ventures
The Pilot				HTN*		Atlantic
Private Benjamin			TMC*			Warner Bros
The Private Eyes				HTN*	(C)	HBO
Raintree County		ST				MGM/UA
Resurrection		ST				Universal
Return of the Secaucus Seven			TMC*		C*	Libra
Roller Boogie	(HBO)			HTN	C	MGM/UA
Rough Cut		(ST)	TMC	(HTN)		Paramount
Ruckus	HBO*		(TMC)			International Vision
Salem's Lot: The Movie	HBO	(ST)	(TMC)			Warner Bros
Savage Harvest	HBO					Savage Harvest Inc
Second Wind					C*	Electric Picture Co
Secret Valley					C	TeleMine
Seems Like Old Times			(TMC)	HTN		Columbia
Seizure					C*	HBO
Seven		ST*				Viacom
Sex and the Single Parent					C	HBO
Sextette			TMC			Crown International
She's 19 and Ready		(ST)			C	TeleMine
The Shogun Warriors: Dan Guard Ace		ST*				Blum Group
The Shogun Warriors: Spaceketters		ST				Blum Group
Silk Stockings		ST				MGM/UA
Smokey and the Bandit			TMC			Universal
Smokey and the Bandit II	HBO	(ST)	TMC*	HTN*		Universal
Smokey Bites the Dust	HBO*		(TMC)			New World
Something of Value		(ST)			C*	MGM/UA
Starting Over		ST*				Paramount
Steel	HBO			HTN*	(C)	World Northal
Stevie			TMC		C	Samuel Goldwyn Co
Stir Crazy	(HBO)	ST*	(TMC)			Columbia
Swinging Cheerleaders		ST*				Delta
Take This Job and Shove It	HBO*					Embassy
Tell Me a Riddle			TMC			Film Gallery
Terror Train	HBO*	ST				20th Century-Fox
The 39 Steps				HTN		Rank
Thunder of Drums		ST			C	MGM/UA
Tim				HTN		Satori
Toby and the Koala Bear		ST	(TMC)			Satori
Touched by Love	HBO	(ST)		(HTN)		Columbia
Tribute to a Bad Man		(ST)			C	MGM/UA
Tuck Everlasting			(TMC)	HTN*	C	Coe Films
Up River		(ST)	(TMC)		C	Gold Key
Up the Academy	HBO*		(TMC)			Warner Bros
The V.I.P.'s		ST				MGM/UA
Who Says I Can't Ride a Rainbow?		ST*				Gold Key
Wild and Beautiful on Ibiza		ST*				K-Pay
Willie and Phil	(HBO)	ST*	TMC			20th Century-Fox
You Light Up My Life					C	Columbia
Young and Free	HBO	(ST)				Manson
Young Lady Chatterly		ST				Simcom

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network/HTN Plus (launching this month)
C—Cinemax

■ Networks in parentheses indicate carriage in December, January, February, March and/or April.

■ An asterisk following a network indicates the film is a carry-over from December, January, February, March and/or April.

■ In total, 184 films appear on the May schedules of HBO, Showtime, The Movie Channel, HTN/HTN Plus and Cinemax. Of those titles during the last six months, 12 films have appeared on four of the five services, 28 on three and 57 on two networks. Eighty-seven titles are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 28, followed by Warner Brothers with 25, and Universal with 14.

■ Alan Alda's human comedy, "The Four Seasons," occupies the May program guide covers of HBO, Showtime and The Movie Channel. Showtime's guide also features artwork depicting scenes from several specials, including its Broadway production of "The Country Girl." Coming with "The Four Seasons" on the HBO/Cinemax guide are "Excalibur," "Legend of the Lone Ranger" and "The Fiendish Plot of Dr. Fu Manchu." HTN's cover is animated—"The Looney, Looney, Looney Bugs Bunny Movie."

Top 20 MSOs

Rank	Multiple System Operator	Subscribers
1	Tele-Communications Inc	1,900,000
2	American Television and Communications (12/81)	1,810,000
3	Group W Cable (formerly Teleprompter) (1/82)	1,642,381
4	Cox Cable Communications, Inc	1,131,981
5	Storer Cable Communications	920,000
6	Warner Amex Cable Communications, Inc	907,266
7	Times Mirror	675,847
8	Newhouse Broadcasting* (2/82)	595,576
9	Rogers-UA Cablesystems	589,385
10	Viacom Cablevision**	532,440
11	Continental Cablevision (2/82)	467,939
12	United Cable Television Corporation (1/82)	463,494
13	Sammons Communications (2/82)	453,021
14	TeleCable Corporation	309,900
15	Capital Cities Cable	297,420
16	General Electric Cablevision Corporation	295,000
17	Heritage Communications	248,231
18	Comcast Corporation	228,473
19	Liberty Communications	226,000
20	Cablevision Systems Development (2/82)	222,878

Note: Subscriber counts are as of 3/31/82 unless noted otherwise.
*Newhouse Broadcasting includes MetroVision, NewChannels, Vision Cable
**Viacom Cablevision includes 40% ownership in Nor-Cal Cable

Top 20 systems

Rank	Location	Operator	Subscribers
1	San Diego, CA	Cox Cable	213,760
2	Manhattan, NY	ATC	(12/81) 153,800
3	Oyster Bay (Long Island), NY	Cablevision Systems Development	(2/82) 148,071
4	West Orange, NJ	Maclean Hunter Cable	(2/82) 134,101
5	Los Angeles, CA	Teleprompter	(12/81) 104,750
6	Wayne, NJ	Rogers UA Cablesystems	104,286
7	San Antonio, TX	Rogers-UA	102,856
8	Tulsa, OK	United Cable TV	(1/82) 97,488
9	Erie County, NY	Prime Cable	92,965
10	San Jose, CA	Gill Industries	(2/82) 90,283
11	Audubon, NJ	NYT Cable	89,600
12	Tidewater, VA	Cox Cable	85,297
13	Austin, TX	ATC	(12/81) 80,000
14	Central Islip, NY	Viacom	81,277
15	Honolulu, HI	ATC	(12/81) 79,000
16	Orlando, FL	ATC	(12/81) 76,100
17	Jefferson Parish/Kenner, LA	Cox Cable	73,780
18	Hartford/Meriden, CT	Times Mirror	(2/82) 70,392
19	Manhattan, NY	Teleprompter	(1/82) 70,210
20	Toledo, OH	Buckeye Cablevision	70,447

Note: Subscriber counts are as of 3/31/82 unless noted otherwise.

NOTE

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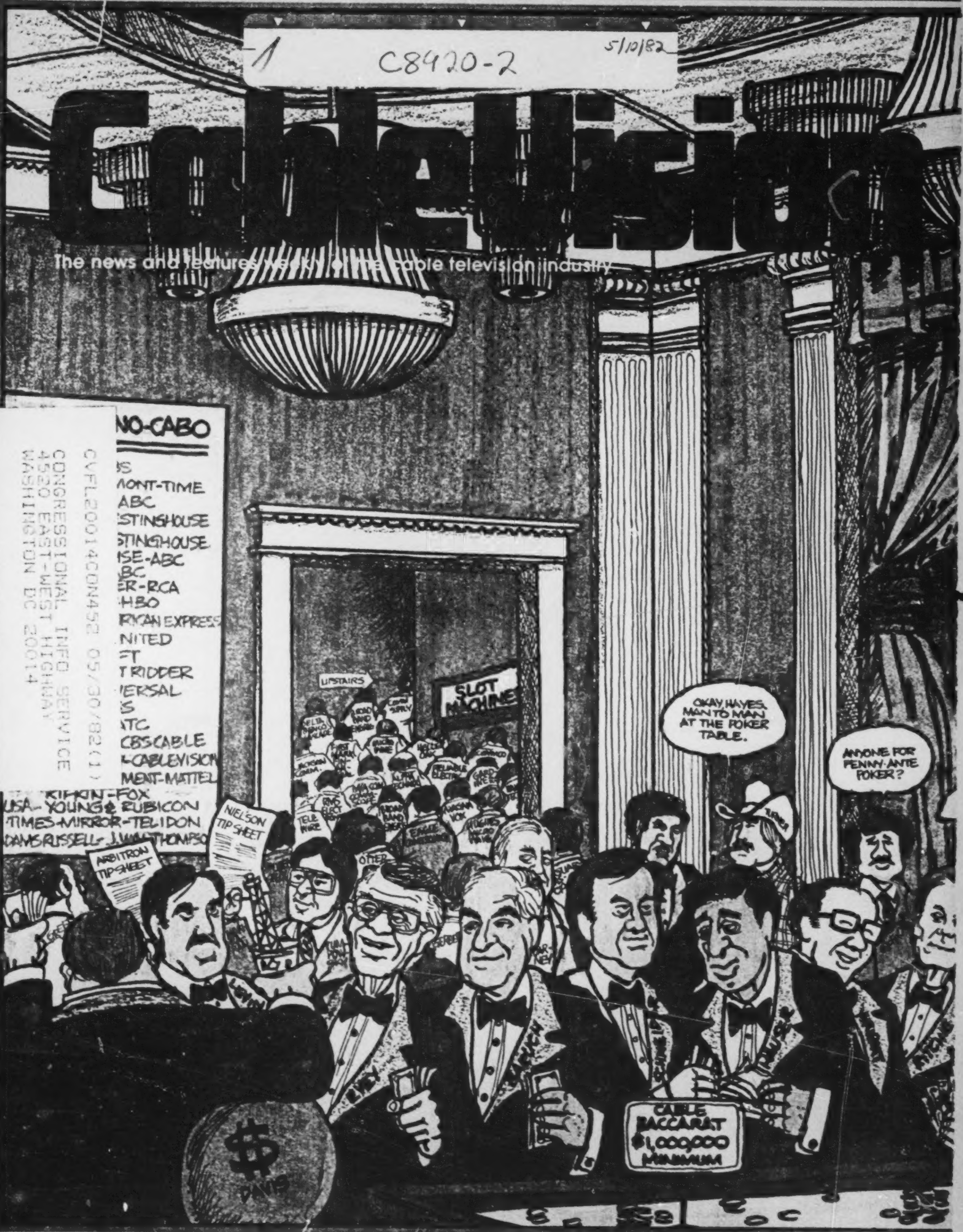
The news and features weekly of the cable television industry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May 10, 1982

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NCTA president Tom Wheeler presents graphic illustration to his points during testimony on S. 2172.

Hearings on the hill

The stakes are high in the cable regulation game judging by comments and opinions given at Senate hearings last week. **Page 21.**

High stakes

More than 16,000 conventioneers converge on Las Vegas and will find a myriad of things to occupy their time, both in and out of the convention center. **Page 21.**

Saga continues

Group W's Lloyd Werner put aside a prepared text at the Buffalo Cable Club to level blasts at Ted Turner for planning to simulcast 30 hours of CNN2 over WTBS. **Page 22.**

Group christening

Westinghouse chairman Dan Ritchie and Group W Cable chairman William Bresnan made the name changes official last week and took the opportunity to outline what those changes may mean. **Page 28.**

Analytical bet hedging

Tony Schwartz and Angela Schapiro focused their attentions on the future of the cable industry. The two very different vantage points produced interesting results. **Page 28.**

Green light

Filmways Picture shareholders overwhelmingly approved a new partnership plan. Unexpectedly, HBO maintained a low profile during that meeting. **Page 32.**

Collect calls for Ma

The deadline for comments on the AT&T divestiture were due last week and 518 poured in to the Justice Department. It seemed everyone had something different to add to the well-publicized happening. **Page 32.**

Launch mania

CableVision takes a look at the health of five cable services as takeoffs are scheduled between the NCTA convention and June 30. **Page 39.**

ACE nominations

Nominations for the ACE awards are out, but unlike previous years, the finalists will not be announced at the NCTA convention. That will happen later this year. **Page 59.**

Magnified P.I.

Fresh from launching The Shopping Game, American Video Shopper will try to interest cable officials at the NCTA convention with an offering called P.I. Plus. **Page 91.**

Perspectives'

As part of this issue's theme of "Outsiders Look at Cable," *CV* sought the opinions of three groups of seasoned observers—TV critics, subscribers and cartoonists. Their commentaries are collected in this special series of articles. **Page 97.**

Top 50

CableVision presents 50 of the biggest companies that have helped to make the cable television industry not only what it is today, but also what it will become tomorrow. **Page 203.**

This week in *CableVision Plus*

Is cable its own best customer? A recent *CV Plus* survey reveals that the amount the cable industry spends promoting itself has passed the $142-million mark. Although the numbers are incomplete, it is clear that intra-cable spending is a powerful industry force. The Marketing Advertising theme continues with an examination of ad-supported networks. Seasoned cable observers assess the vitality and viability of ad-supported cable, particularly the strongest quartet of basic networks—ESPN, CNN, WTBS, and USA. Pages 303-326.

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BRONX
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New York blackout

MSOs and residents are frustrated about being kept in the dark over the franchising process in that city. Equally as irritating is the fuss in the Bronx which has stalled the entire process. **Page 297.**

Boosters fired in Clearwater

Vision Cable Communications has started its two-way interactive system in Florida and is offering a broad range of services. **Page 239.**

Legislative scorecard

Elected officials are giving cable a hard look and numerous pieces of legislation have been approved or are in the governmental process of review. *CableVision* takes a state-by-state look at where cable stands. **Page 259.**

Wheeling around

Tom Wheeler is beginning his seventh year as head of the NCTA. Wheeler allowed *CableVision* to take an up-close and personal look into the life of an executive, father and man who enjoys running along tree-lined paths. **Page 287.**

Insider's view

Gary Arlen takes a look at the future of cable as it applies to the American shopper and also glances back down memory lane to examine some of the less-than-successful cable attempts in the past. **Page 358.**

Dubious awards

The second annual *CableVision* Dubious Distinctions in Cable Awards give tongue-in-cheek recognition to key players on the cable playing field. **Page 327.**

A day in the life of...

The lifeblood of the industry—the system manager, the salesman, the service technician, the customer service rep and the public access coordinator—is profiled in this series. **Page 381.**

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50

# of the top companies in cable

CableVision *magazine presents 50 of the biggest companies which have helped to make the cable television industry not only what it is today but also what it most likely will become tomorrow.*

By David Ross, Maribeth Thelen and Kate Hampford

It is a familiar story by now, how CATV was born in the hills of Pennsylvania and Oregon — how enterprising appliance and TV retailers discovered the techniques of bringing signals down the mountain to potential set owners who otherwise would have poor or virtually no reception and, therefore, no incentive at all to purchase a receiver.

That was in 1948 by most estimates, and since those early beginnings the business has grown increasingly more complex. It is at the point now where it has wedded itself to computers and satellites and laser light traveling through optical fibers.

The growth in service offerings has lagged only slightly behind the development of technology, which is usually the case with innovation curves. In addition, sophisticated marketing and sales techniques are also attempting to match the increased awareness and discriminating demands of consumers who no longer perceive their needs as limited to improved reception.

The sometimes plodding, sometimes dramatic growth and innovation in the industry has always been linked to the so-called pioneers and entrepreneurs. What's more, it was a company with revenues of nearly $100 million last year which had the foresight to put a struggling UHF station up on the bird a few years ago. And, it was a so-called media giant with revenues of over $3 billion last year which had the foresight to deliver premium programming via satellite also just a very few short years ago. They are no more, nor any less, entrepreneurial than those who strung those first wires down the side of that hill back in '48.

With what is projected in terms of subscriber penetration and growth, as well as in revenues generated by new entertainment, information, security and data services, it would seem the entrepreneurial spirit of the industry will be passed along despite the fact that revenues from the industry's operating companies alone are about to approach $5 billion.

Somewhere along the way CATV became cable television, and cable television became big business. The operating results for the companies presented on the following pages will attest to that. In what in no way could approach an all-inclusive list because of the way many of the companies involved in this business are chartered and keep their books, a precise compilation and ranking is difficult, perhaps impossible. So, what *CableVision* researcher Maribeth Thelen was asked to identify, and what writer David Ross was asked to delineate, was a financial and business profile of most of the heavyweights— companies who, by their balance sheets, already play a very major role in the business of cable television, plus those who, by the nature of their overall corporate resources and announced or generally recognized intentions, will be playing an ever-expanding role. Included are companies which are involved in providing what are generally considered the major satellite-delivered programming services, system operators with at least 10,000 subscribers and the potential to pass and connect many more, and manufacturers who have full lines of plant and/or distribution equipment.

In the months ahead, *CableVision* will be looking even more closely at the breakdowns in the distinct categories of programming, operations, hardware and service segments of the industry. For now, we will review the companies that have met the criteria above and whose financials were available to us. Wherever possible, an attempt was made to use the most current figures and information possible. Here is what we found:

Cable is indeed big business, but not always what has made a business big. For example, on the pages to follow, total revenues will range from nearly $33 million to $27.2 billion. Revenues from cable activity alone range from $19.4 million upward to $2.2 billion. Seventeen of the companies reported don't even break out their cable revenues. The figures would be even more revealing, obviously, if they did.

Fifty-six percent of these companies have ownership interests in systems. Fifty percent have interests in program services. Thirty-two percent are involved significantly in manufacturing. Thirteen of these top 50 companies are exclusively system operators. Eight are solely programmers and 12 exclusively manufacturers. In other words, 66 percent of these top companies in cable have just one area of activity, while the remaining 34 percent are involved in some combination of operations, programming, manufacturing or all three.

Of the top 10, five have multiple interests; none are exclusively cable operating companies and five have considerable broadcast holdings. Five own systems, seven are involved in programming and three are engaged in manufacturing. Of the top 10 by cable revenues (those which could exclusively be identified as such), five have multiple interests, none are exclusively in cable operations and the same five have programming interests. Five are in manufacturing, five are in programming and five operate cable systems.

Among the most apparent trends and developments found among the profiles is a propensity for experimentation in areas such as teletext and videotex, an accelerated movement of newspaper publishers into system ownership and electronic information services and the proliferation of joint ventures, not only in the structure of programming services but also in the ownership of systems as well.

Top 50 line-up

1. General Electric Company
2. Getty Oil Company
3. General Telephone & Electric Corp.
4. Westinghouse Electric Corp.
5. RCA Corp.
6. American Express Company
7. Gulf+Western Industries
8. CBS Inc.
9. The Penn Central Corp.
10. Time Inc.
11. Warner Communications Inc.
12. North American Philips Corp.
13. ABC Inc.
14. The Times Mirror Company
15. Pioneer Electronic Corp.
16. Tribune Company
17. MCA Inc.
18. Zenith Radio Corp.
19. Knight-Ridder Newspapers Inc.
20. Sammons Enterprises
21. Central Telephone & Utilities Corp.
22. Walt Disney Productions
23. The New York Times Company
24. General Instrument Corp.
25. Insilco Corp.
26. Dow Jones & Company
27. Capital Cities Communications Inc.
28. M/A-COM Inc.
29. Oak Industries Inc.
30. Rollins Inc.
31. Anixter Brothers Inc.
32. Wometco Enterprises Inc.
33. Cox Broadcasting Corp.
34. Playboy Enterprises Inc.
35. Harte-Hanks Communications Inc.
36. Taft Broadcasting Company
37. Scientific-Atlanta Inc.
38. Storer Broadcasting Company
39. Affiliated Publications Inc.
40. Viacom International Inc.
41. Multimedia Inc.
42. Tele-Communications Inc.
43. Augat Inc.
44. Burnup & Sims
45. Continental Copper & Steel Industries
46. Rogers Cablesystems Inc.
47. Turner Broadcasting Systems
48. Scripps-Howard Broadcasting Company
49. Heritage Communications Inc.
50. United Cable Television Corp.

Note: Ranked by total revenues.

Affiliated Publications Inc.

135 Morrissey Boulevard
Boston, MA 02107
(617) 929-2000
William Davis Taylor, chairman and director
John I. Taylor, chairman of executive committee, and director

Cable interests:

- McCaw Communications Inc.—(45%) 38,000 subs.
- In process of closing a joint venture with McCaw to purchase Southern Oregon Broadcasting and Pacific Teletronics Inc.
- Joint venture with Knight-Ridder to bring Viewtron, Knight-Ridder's videotex system, to Boston (pending).

Communication interests:

- Affiliated Broadcastig which owns 12 radio stations.
- *The Boston Globe* and The Globe Newspaper Company.
- Globe Pequot Press.

The owner of *The Boston Globe*, 12 radio stations, and the Globe Pequot Press (a publisher of books on New England), Affiliated Publications recently tossed its hat into the cable ring by purchasing a 45 percent interest in McCaw Communications Inc. for $12 million. The 82nd largest MSO in the nation, McCaw has more than 38,000 subscribers in Alaska and Washington.

While Affiliated moved into radio only five years ago, the long-standing publisher of *The Boston Globe* is no longer shy of the electronic media. The company worked out a deal with McCaw that will give both firms joint ownership of Southern Oregon Broadcasting, an MSO with more than 50,000 subscribers in that northwestern state, and Pacific Teletronics, a microwave company that sells interconnect equipment in California and Oregon. In addition, Affiliated is negotiating with Knight-Ridder to bring that company's videotex system, Viewtron, into Boston.

In 1981, Affiliated saw $236 million in revenues, a 14 percent increase over the $206.5 million realized in 1980. Net income reached $14.2 million, a 10 percent improvement from 1980, and assets rose 19.7 percent over that same period, to $125.6 million. The company does not break out its cable earnings.

American Broadcasting Companies Inc.

1330 Avenue of the Americas
New York, NY 10019
(212) 887-7777
Leonard H. Goldenson, chairman
Elton H. Rule, president

Cable interests:

- Alpha Repertory Television Service (ARTS)—joint venture with Hearst (1/81).
- Daytime—joint venture with Hearst (3/82 debut).
- Satellite News Channels—joint venture with Group W (8/81).
- ABC/Getty pay sports service—joint venture with Getty Oil (9/81). Debut 4/82.

Communication interests:

- 207 primary affiliated television stations.
- ABC Entertainment.
- ABC News.
- ABC Sports.
- Five television stations (100%).
- Seven FM, six AM radio stations.
- Radio Network.
- ABC Publishing.
- ABC Motion Pictures.
- ABC Scenic Attractions.
- ABC Entertainment Center.

The first of the major networks to take the cable plunge, American Broadcasting, through its subsidiary ABC Video Enterprises, is working closely with other companies to develop several programming ideas. In its initial venture, ABC collaborated with the Hearst Corporation and Warner Amex, creating a "cultural" programming service called American Repertory Television Service (ARTS). Carried on a WASEC transponder, ARTS hit the earth stations in January 1981, and, as an advertiser-supported basic service, now reaches seven million homes. A second ABC/Hearst effort, Daytime, recently premiered as a four-hour-per-day video magazine for women. Daytime also relies on advertising for revenues.

In other programming ventures, ABC is pairing with Westinghouse's Group W and Getty Oil. ABC and Group W will soon enter the cable news field with Satellite News Channels I and II, 24-hour services that will sandwich local story segments between national and international news. Meanwhile, ABC and Getty have arranged a sports programming deal that will use Getty's ESPN for bringing cable viewers pay-per-view sporting events. In exchange, ESPN will carry selected ABC Sports events on its basic service.

American Broadcasting Companies Inc. consists of ABC Television, ABC Radio, and ABC Publishing and other operations, as well as ABC Video. The television network owns five stations in major markets and has 207 primary affiliates, while the radio network owns 13 stations and has more than 1,800 affiliates. The "publishing and other" division includes such periodicals as *High Fidelity*, *Modern Photography*, and *Los Angeles Magazine*; such trade publications as the *Chilton's* automobile repair series; ABC Motion Pictures, a relatively new venture; and ABC Scenic Attractions. Besides developing cable programming, ABC Video Enterprises markets and distributes ABC programming for video and cable, develops educational programming, and licenses marketing rights to ABC names and products. The company has also filed applications for five low-power TV stations to be located in each of its owned-and-operated TV markets.

ABC reported record revenues of $2.4 billion in 1981, up from 1980's $2.28 billion. In the corporate financial breakdown, ABC Video Enterprises is listed with "scenic attractions and other." This entire category delivered $32.43 million in revenues to the corporate total, down from the $51.65 million of 1980. According to ABC, "the continuing start-up and development costs" of ABC Video Enterprises and ABC Motion Pictures "adversely affected" earnings for this corporate division. Adversity translates into a $10.6 million loss in 1981, as compared with an $11.57 million loss in 1980.

American Express Company

American Express Plaza
New York, NY 10004
(212) 323-2000
James D. Robinson III, chairman
Alva O. Way, president

Cable interests:

- Warner Amex Cable Communications—50-50 ownership with Warner Communications Inc. 146 systems in 27 states. Total subs: 900,000.
- Recent franchises (1981)—suburban Chicago, Dallas, Cincinnati, St. Louis, Pittsburgh.
- Joint venture with Atari Inc., Compuserve Inc. and Warner to experiment in Columbus, OH, to research consumer preferences regarding access to four major data banks (*NYT, Washington Post, LA Times*, Associated Press).
- Warner Amex Satellite Entertainment Company (WASEC)—MTV; Nickelodeon; The Movie Channel; agreement with Turner Broadcasting to represent all advertising sales for CNN and CNN 2; marketing and distribution of ARTS.
- QUBE interactive systems operating in Columbus and Cincinnati, OH; and Pittsburgh.

Communication interests:

- American Express Publishing—two magazines.
- Mitchell Beazley Limited and American Express Direct Response (ADR)—supplies services to the direct-mail industry.

When American Express was looking into a cable venture during the late 1970s, the company went to the fledgling Warner Cable and made an offer. While Warner would not sell out, the company was willing to part with half its interest in cable, and the Warner Amex Cable Communications partnership was born. Today, Warner Amex is the fifth largest MSO in the nation, and through its satellite programming division, Warner Amex Satellite Entertainment Company, it owns The Movie Channel, MTV: Music Television, Nickelodeon, and in partnership with ABC Video and Hearst, American Repertory Television Service (ARTS). WASEC has also arranged to represent all advertising sales for Turner Broadcasting's CNN enterprises, placing WASEC at the top in cable advertising sales. In addition, the company handles marketing and distribution activities for ARTS. Last July, Warner and American Express modified their financial agreement, and each company allocated $100 million to Warner Amex as an equity investment, superseding these companies' earlier $50 million guarantee against indebtedness.

Warner Amex operations include 146 cable systems with 900,000 subscribers. The company is engaged in a hardy franchising effort in major urban areas throughout the country. Its interactive system, QUBE is now available to subscribers in Cincinnati and Pittsburgh as well as in Columbus, Ohio, and soon will also be marketed in Houston and Dallas. In addition, Warner Amex has the largest cable security system in operation, with 5,200 subscribers, most of whom are in Columbus.

According to projected estimates for 1980 and 1981, American Express realized $109.5 million in revenues from Warner Amex in 1981, an 89 percent improvement over $58.5 million achieved in 1980. Franchise construction and QUBE expenditures in 1981, however, resulted in an estimated $10 million net income loss for American Express' share of Warner Amex that year.

Aside from its cable activities, American Express is renowned for its financial enterprises, including travelers' checks, credit cards, international banking, Fireman's Fund Insurance Company, and investment services. The company's investment holdings arise from a recent merger with Shearson Loeb and Rhoades, the second largest investment security firm in the nation, to form a new company called Shearson/American Express Inc. During 1981, American Express earned $518 million in net income, as compared with $462 million in 1980. Corporate revenues reached $7.21 billion last year, a 13 percent improvement over $6.37 billion in 1980. Corporate assets, with the Shearson merger, now exceed $25 billion.

Anixter Brothers Inc.

4711 Golf Rd. 1 Concourse
Skokie, IL 60076
(312) 677-2600
Alan B. Anixter, president
William R. Anixter, executive vice president

Cable interests:

- Buys, stores and sells electrical wire and cable products.

A major supplier of electrical wire, cable and a wide range of components and other equipment to the CATV industry, Anixter realized $441.5 million in net sales during fiscal 1981, ended July 31, a 21 percent hike from the $363.6 million achieved in fiscal 1980. The corporation consists of 14 subsidiaries, one of which, Anixter-Pruzan Inc., handles all sales and manufacturing of goods related to cable services in North America. Born in 1969 through corporate merger, Anixter-Pruzan supplies hardware, pay TV packages, video equipment, subscriber drop materials, tools, safety equipment and satellite dishes to the cable industry.

During fiscal 1981, Anixter brought two new firms under its wing: Ohm International Inc., a company that exports electrical and telecommunications products, and Automatic Equipment Development Corporation, a cable assemblies manufacturer and equipment rehabilitator for the telephone industry. Ohm International now handles all Anixter CATV sales outside North America.

Augat Inc.

89 Forbes Boulevard Box 448
Mansfield, MA 02048
(617) 543-4300
Roger D. Wellington chairman
William P. Miller, president

Cable interests:

- Manufactures cable connectors, Vitek traps, line amplifier replacement electronics, amplifiers for house drop and apartment applications.
- LRC Electronics.
- Vitek Electronics.
- Broadband Engineering Inc.

Achieving record revenues and income during the past year, Augat Inc. credits the strong demand for CATV products as responsible for the company's improved financial performance. During 1981, Broadband Engineering joined Augat's growing list of acquired subsidiaries that provide materials and supplies for cable construction. Back in 1979, Vitek Electronics Inc. and LRC Electronics Inc. both came under the Augat umbrella. These three subsidiaries accounted for more than 20 percent of Augat's 1981 revenues. Corporate revenues, however, fell far below the company's expected 25 percent increase, finishing the year at $173.9 million, only 7.6 percent above 1980 net revenues of $161.6 million.

Augat manufactures and supplies cable connectors, security traps, interconnection products, microcircuits, packaging subminiature switches, precision-machined parts, and, for building drops, Signal Stretcher amplifiers. The company also markets line amplifier replacement electronics.

Burnup & Sims

1333 South University Dr.
Ft. Lauderdale, FL 33324
(305) 587-4512
Nick A. Caporella, president
Michael M. Goldwire, vice president and assistant

Cable interests:

All companies design, engineer, manufacture, and install cable equipment:

- Burnup & Sims Cable Com Inc.
- Cablevision Services.
- Control Com Inc.
- Electro Products.
- Consolidated Cable Corporation.
- Gardiner Communications.
- Acquired Capscan Cable (coaxial cable manufacturer) 4/82.

Communication interests:

- Approximately 16 subsidiaries manufacture for telephone industry.

Principally concentrating its activities in the sunbelt states, Burnup & Sims has designed nearly 20 percent of the nation's cable systems. Of the company's 22 subsidiaries, six supply either engineering, installation, or maintenance services to the cable and telecommunications industry. The corporate division formed by these six subsidiaries attained $89.95 million in revenues for fiscal 1981 (through April 1981), or 43 percent of the corporate whole.

In recent years, Burnup & Sims has added several companies to the cable and telecommunications division. Gardiner Communications, a company that designs and manufactures earth stations, came aboard during fiscal 1980, and within another year, Burnup & Sims acquired Control Com, a producer of energy-management and security systems. Consolidated Cable Corporation, an installer of cable, and Electro Products, a manufacturer of standby power units, are also relatively new acquisitions, as is Capscan Cable Company, a coaxial cable manufacturer, purchased in mid-April 1982.

For the first three quarters of fiscal 1982, through January, corporate revenues reached $167.4 million, a 10 percent improvement from the $152.0 million for the same period last year. The company's $208.8 million in revenues for fiscal 1981 surpassed those of 1980 ($169.9 million) by 23 percent. Current assets through 1982's third quarter, at $144.1 million, already exceed assets compiled during the entire previous fiscal year.

In addition to its communications interests, Burnup & Sims also owns soft-drink bottling firms, movie theaters and printing facilities.

Capital Cities Communications Inc.

24 East 51st Street
New York, NY 10022
(212) 421-9595
Thomas S. Murphy, chairman
Daniel B. Burke, president

Cable interests:

- Capital Cities CATV Division—51 systems; CableCom General—43 of the 51 (7/2/81); remaining systems are owned by Capital Cities directly; total subs: 300,000.
- Fairchild Publications—publishes many periodicals including *Multichannel News*.
- Two Capital Cities newspapers are negotiating to provide information services to cable operators.

Communication interests:

- Six television stations.
- 14 radio stations, (seven FM, seven AM).
- Nine daily newspapers.
- 32 business specialized papers.
- 22 weekly community newspapers.

In 1981, Capital Cities' net revenues jumped 22 percent to $573.8 million from $472.1 million in 1980, a year in which the company ranked 485 on the *Fortune* 500. A relative newcomer to cable, Capital Cities signed on in 1980 by acquiring seven companies whose franchises at that time were largely unbuilt. Last year the company became a cable force to reckon with when it bought out Cablecom-General Inc., whose 43 systems cost Capital Cities $139 million. Today, with 51 systems and 300,000 subscribers, Cablecom/Capital Cities is the 15th largest MSO in the nation. The Cablecom purchase sparked a huge increase in cable revenues (from $30,000 in 1980 to $21.4 million in 1981), and considerably expanded the company's cable assets (now $186 million as compared with 1980's $9 million). Intending to pursue further growth through acquisition, the company refuses to immerse itself in franchising battles.

Operations are only one of Capital Cities' ventures into the cable realm. Its publishing arm is involved in several areas, ranging from electronic publishing experiments to a weekly cable/industry newspaper, *Multichannel News*, which is owned by Fairchild Publications, a subsidiary of Capital Cities. The company has arranged to bring Knight-Ridder's Viewtron, an interactive service currently being tested in Florida, to two Capital Cities newspapers, *The Kansas City Star* and the *Fort Worth Star-Telegram*. These papers are negotiating with local cable operations to provide information services. Another company newspaper, the Belleville, Ill., *News Democrat*, prepares local newscasts for that town's cable system.

In all, besides the cable operation, the company owns six television and 14 radio stations, nine daily newspapers, numerous weekly papers, specialized business publications and a small television production operation.

CBS Inc.

51 West 52 Street
New York, NY 10019
(212) 975-4321
William S. Paley, chairman
Thomas H. Wyman, president

Cable interests:

- Proposed acquisition—Black Hawk Cable Communication Company. One system in Dallas, Ft. Worth area. Subs: 17,000.
- CBS Cable—cultural programming, advertising supported.
- 4/81 testing of videotex in Los Angeles, CA (100%).
- 6/82—proposed testing of videotex with AT&T in Ridgewood, NJ.

Communication interests:

- Seven AM, seven FM radio stations.
- CBS Radio Network.
- 3/82 CBS Radio Network II.
- Five television stations.
- CBS Television Network Division.
- CBS Entertainment Division.
- CBS Sports Division.
- CBS News Division.
- CBS Theatrical Films Division.
- CBS Record Division.
- CBS Records International Division.
- CBS Video Enterprises.
- CBS Publishing Group—consumer publishing: eight magazines; educational and professional publishing.
- CBS Technology Center.

After getting off to a slow start in cable, CBS is gaining momentum on three fronts: programming, technology and operations. On the programming front, the company has launched a service appropriately dubbed CBS Cable. An advertiser-supported service received by four million subscribers in 350 cable systems, CBS Cable produces most of its programming on its own and obtains the remainder from outside sources. In addition, CBS announced a joint cable/video programming venture with 20th Century-Fox in February 1982. The new partnership will create and distribute home video products for all commercially feasible home video systems and will manufacture videocassettes. Also reportedly planned are several ad-supported and pay services for the cable industry.

On the technology front, the company is setting up a videotex experiment in Ridgewood, N.J. Known as VENTURE I, the test will provide 100 homes with two-way interactive services beginning this summer.

As for operations, CBS was granted (in September 1981) a waiver by the Federal Communications Commission, allowing CBS to acquire cable systems, provided it seek a subscriber base of no more than 90,000 homes or 5 percent of the nation's subscriber universe. Such a ruling ended the broadcast company's 11-year absence from cable system ownership. As a result of this decision, CBS submitted its first bid for the 31,000-home city of Alameda, Calif., in November 1981. The decision, however, went to United Cable Television in April 1982. Despite that setback, CBS intends to continue its cable operations through the purchase of a franchise that reaches 17,000 homes in sections of Dallas and Ft. Worth, from Texas-based Blackhawk Communications.

CBS owns five television and 14 radio stations and a network with over 200 broadcast affiliates. In addition, the company is the world's largest producer, manufacturer and marketer of recorded music. Over the years, CBS has diversified into musical instruments, toys, publishing and, more recently, such enterprises as a theatrical production unit and videocassettes. Holt, Rinehart and Winston, and *Woman's Day*, *Field & Stream* and *Mechanix Illustrated* magazines are among the company's publishing interests.

In 1981, CBS' revenues approached $4.13 billion, a modest gain over the $4.06 billion reached in 1980. Corporate net income continued to slide, from $192.97 million two years ago to $163.81 million last year, a decline of 15 percent.

Central Telephone & Utilities Corp.

OHare Plaza, 5725 N.E. River Road
Chicago, IL 60631
(312) 635-5500
Robert P. Reuss, chairman
William G. Mitchell, president

Cable interests:

- Centel Cable Television—systems in FL, IL, IN, KY, MI, OH, TX. 120,189 subs (3/26/82).
- Videopath—regional cable interconnect network. Sold 20% to M/A-COM.
- Centel Supply Company—markets supplies to the interconnect market (and telephone).
- Diamond Communications Products Inc.—hardware manufacturer.
- Wilco Inc.—designs and constructs communication distribution networks.

Communication interests:

- Digitech Industries Inc.—produces diagnostic hardware.
- Comco Electronics—master antenna operator.

Not only does Central Telephone & Utilities manufacture and supply cable equipment for CATV systems, the corporation (which intends to change its name to Centel Corporation pending a stockholders' vote on April 30) is the parent company of Centel Cable Television, in its own right the 36th largest MSO in the nation, with 120,189 subscribers. An aggressive franchiser, Centel won 30 system awards in 1981, and the company currently has applications pending in another 19 communities. The MSO is focusing its franchising effort on three regions: suburban Chicago, the Florida Gulf Coast and the Ohio Valley.

Central Telephone's supply subsidiaries include Diamond Communications Products, a 1981 acquisition that sold $12 million worth of fasteners and other pole-line hardware for cable construction last year, and Centel Supply, whose Wilco division acts as a consultant on constructing and designing various communications networks, including cable rebuilds.

Other divisions of Central Telephone design, market and service telephone systems for private businesses; provide diagnostic software and hardware packages for computer problems; offer master antenna (MATV) services; and design public telephone booths. In addition, Central Telephone has put together a microwave interconnect system in the Chicago area called Videopath, which will eventually reach two million homes. M/A-COM bought a 20 percent share of Videopath in February. Central Telephone also is planning to announce a joint venture with Honeywell and Field Enterprises, but has relased no details yet.

Corporate revenues for Central Telephone in 1981 topped the billion-dollar mark for the first time. Centel Cable revenues brought in $16.26 million, nearly a 100 percent gain over its $8.46 million reported in 1980. Central Telephone's communications group, which includes equipment suppliers for cable, saw $247.2 million in revenues in 1981, up from $198.5 million in 1980. The corporation does not break out specific revenues from cable supplies.

Continental Copper & Steel Industries Inc.

12 Commerce Drive
Cranford, NJ 07016
(201) 272-3850
Charles F. Mansfield, chairman
Milton S. Cohn, vice chairman

Cable interests:

- CCS Cable—division created July 1, 1981, to manufacture coaxial cable for the cable televisio industry.

Communication interests:

- CCS Hatfield Wire & Cable.

A manufacturer of various metallic products, including coaxial cable for the CATV industry, Continental Copper & Steel suffered drops in both sales volume and assets during fiscal 1981 which ended in June. Net sales dipped more than 8 percent, from $180.70 million to $165.50 million, while total assets fell 4.9 percent, from $101.39 million to $96.36 million.

In an otherwise bleak economic year, CCS found solace in the success of its coaxial cable sales and created a new division for this product as of July 1, 1981, calling it CCS Cable. However, the company's Hatfield Wire & Cable division, which had previously handled coaxial cable production but moved to manufacturing other types of cable and wire, has been plagued with additional losses. As a result, company officials have indicated that Hatfield will either be sold or liquidated in the near future. CCS sees much promise in its new division and is aggressively marketing GID 3 coaxial cable in Canada and Europe as well as the United States.

CCS also owns a Mexican subsidiary that makes steel, alloy and a variety of forged products; Braeburn Alloy Steel, a manufacturer of high-grade steel for tool production; and Hanover Wire Cloth, a producer of screening for industry and homes. Hanover was hit particularly hard by the depressed housing construction market. At one point CCS was involved in rubber production as well, but after sustaining heavy financial losses from its last plant in Erie, Pa., the company closed down that operation.

Despite CCS's downturn in assets and sales, the corporation realized a gain in net income of 49 percent, resulting from a bankruptcy proceeding that related to Continental Rubber Works in Chile.

Cox Communications Inc.

1601 West Peachtree Street NE
Atlanta, GA 30309
(404) 897-7000
Clifford M. Kirtland Jr., chairman
William A. Schwartz, president

Cable interests:

- Cox Cable Communications—approximately 62 systems in 19 states. Subs: 1 million.
- INDAX.
- Cox Security Services.
- Commline.
- Spotlight.
- Robert Wold Company—19% interest.

Communication interests:

- Five VHF stations.
- One UHF station.
- 12 radio stations (five AM, seven FM).
- TeleRep—television sales representatives.
- Christal—radio sales representatives.
- Schulke Radio Productions.
- STV—St. Louis (mid-1982).

Cox Communications Inc. (formerly Cox Broadcasting Corp.) has a major investment in cable through its subsidiary, Cox Cable Communications, the nation's fourth largest MSO. Owner of six television and 12 radio stations, as well as a sizeable wholesale automobile-auctioning business, Cox Broadcasting, in 1981, derived nearly half of its $403.5 million in annual operating revenues from its cable operations, which brought in $188.5 million, a 50 percent gain over 1980 figures. Currently operating 62 cable systems in 19 states, Cox Cable passed the magic million-subscriber mark in August 1981 and now serves 1.1 million homes. During 1981, Cox subscriber growth resulted entirely from franchising efforts and license renewals; the company did not resort to acquisition. Tucson, Ariz., and Vancouver, Wash., were major franchising successes for Cox last year.

As with many system operators, Cox Cable's involvement in the industry has spread from operations to services. The company has helped pioneer the development of interactive services with its INDAX system. Cox also maintains subsidiaries that include: Cox Security Services; COMMLINE, a trade name for Cox Cable's institutional network systems under development; and Cable Rep, a sales business geared to help franchised communities with cable advertising. In addition, Cox purchased 20 percent of the Robert Wold Company for $20 million in January 1981, and has an option to increase its share to 60 percent in 1985. The Wold Company is best known for its sizeable holdings of transponder time on a number of communications satellites which it leases to cable and broadcast operations. The firm is now involved in programming services as well. In 1981, Cox, Storer, TCI and Cablevision Systems bought into Times Mirror's Spotlight, a pay TV service that primarily features movies. As the franchising process in the United States winds down, Cox is exploring the international angle, and would like to install and operate cable systems overseas.

Dow Jones & Co.

22 Cortland Street
New York, NY 10007
(212) 285-2000
Warren H. Phillips, chairman
Ray Shaw, president

Cable interests:

- Continental Cablevision (24.5%)—systems in 10 states. Total subs: 467,000.
- Dow Jones News/Retrieval Service.
- Dow Jones Cable News Service.
- Dow Jones/Prime Cable Corporation—system in Princeton, N.J. with 8,600 homes.

Communication interests:

- *Wall Street Journal.*
- *Barron's*, *Book Digest* and *American Demographics* magazines.
- Ottaway Newspapers.
- Richard D. Irwin Inc.
- International (Asian) Publications.

Best known for *The Wall Street Journal*, Dow Jones & Co. is banking heavily on the cable revolution. Last year, the company dished out $78.6 million to acquire a 24.5 percent interest in Boston-based Continental Cablevision, the nation's 12th largest MSO, with franchises in 10 states and 467,000 subscribers. The Continental deal came on the heels of an unsuccessful attempt to buy, along with Knight-Ridder, a majority interest in UA-Columbia Cablevision. In addition, Dow Jones went the franchising route with Prime Cable Corporation, and landed the 8,600-home Princeton, N.J., system contract.

Dow Jones is also placing cable chips on information services. The company's information services group has developed both the interactive Dow Jones News/Retrieval Service and the teletext Dow Jones Cable News Service. At the end of 1981, the news/retrieval service was generating information for more than 32,000 customers via computer and cable. Dow Jones sees this service as undergoing rapid growth once interactive technology becomes readily available to cable subscribers. The cable news service, which delivers information in crawl-line text form, was originally transmitted by telephone lines but recently switched to satellite, allowing the service to be picked up by cable systems. Rounding out its cable offerings, Dow Jones supplies USA Network with a five-nights-a-week program entitled, *The Wall Street Journal Late News*.

The company's 1981 revenues in its "book publishing, information services, and other" division rose 20.1 percent to $90.9 million. The information services group accounted for 65.6 percent of the increase. Total corporate revenues in 1981 amounted to $641 million, and in 1980 Dow Jones was 462 on the *Fortune* 500.

General Electric Company

General Electric Company
Fairfield, CT 06431
(804) 483-5000
John F. Welch Jr., chairman
John F. Burlingame, vice chairman

Cable interests:
- General Electric Cablevision—systems in CA, IL, IN, MI, MS, NY. Total 12 systems. Subs: 288,000 (2/28/82).

Communication interests:
- Three television stations.
- Three AM and five FM radio stations.

General Electric's $27.24 billion in revenues last year topped 1980 figures by 9 percent, a year in which $24.96 billion sufficed to earn the corporate giant a number 10 slot in the *Fortune* 500. While GE reports that its cable subsidiary, GE Cablevision, achieved record sales and earnings in 1981, exact figures are unavailable for the subsidiary, whose 288,000 subscribers make it the nation's 16th largest MSO. GE currently operates 12 systems in California, New York, Illinois, Indiana, Michigan and Mississippi, and is engaged in no franchising activity. As part of a corporate division known as "consumer products," GE Cablevision is grouped with major appliances, lighting products, housewares, air conditioners, televisions and audio products. Collectively, this division compiled $6.64 billion in revenues, or nearly one-fourth of those for the entire corporation. GE Cablevision undoubtedly accounted for a small fraction of those revenues.

Besides the products named above, GE's manufacturing arm builds aircraft engines; industrial motors; transportation systems; electrical equipment; power plant generators, transformers and switchgear; nuclear reactors and related equipment; batteries, plastics, and other engineered materials; and technical systems for the electronics, aerospace, and medical industries, supplying, among other items, robots. The corporation also develops software and extracts minerals and energy sources. In broadcasting, GE owns three television and eight radio stations. Corporate assets approach $21 billion.

In 1981, GE tried to expand its communications interests by proposing a merger with Cox Broadcasting. The deal was set to be culminated until Cox suddenly decided not to go through with it. Both companies continue to operate independently.

General Instrument Corporation

1775 Broadway
New York, NY 10019
(212(974-8700
Frank G. Hickey, chairman

Cable interests:
- Manufacturer of CATV systems, subscriber terminal equipment, etc.
- The Jerrold Division—primarily manufactures the CATV products for General Instrument Corporation.
- PlayCable—50-50 joint venture with Mattel.
- United Satellite TV—investment of $5 million.

Communication interests:
- Master antenna television (MATV).
- Data systems (AmTote).

A company that develops data systems and manufactures semiconductor products, computer components and broadband communications equipment, General Instrument is riding the crest of the cable wave. During the first three quarters of fiscal year 1982, ending November 1981, corporate revenues finished at $698.6 million, 13 percent above the $618.6 million seen the same period a year before. Such modest gains tell only part of the story, however. The company's broadband communications group, which makes electronic equipment ranging from TV tuners to subscriber terminals, improved its 1982 revenue intake by 56 percent, as compared with 1981. While broadband customers include the master antenna TV (MATV) industry as well as cable, the corporation ascribes the group's success to "unprecedented growth for the cable TV industry and for General Instrument's cable TV business."

Best known for its Jerrold line, General Instrument was the first CATV equipment manufacturer to come up with a 52-channel amplifier, the Jerrold System 400. The corporation also offers descramblers and is currently developing and marketing interactive products, including cable security systems, and has plans to sell earth stations to its CATV and MATV customers. Among its interactive products is the hardware for the home videogame service, PlayCable, a joint venture with Mattel Corporation. General Instrument has also invested $5 million in United Satellite Television and will provide the equipment for a project that will lead to two advertiser-supported and two pay-programming services for cable.

General Telephone & Electronics Corp.

One Stamford Forum
Stamford, CT 06904
(203) 965-2000
Theodore F. Brophy, chairman
Thomas A. Vanderslice

Cable interests:

- Sylvania CATV Transmission System Division manufactures trunk amplifiers, line extenders and converters. Plans introduction of an addressable converter spring 1982.
- GTE Telenet Communications group—designs and operates communication systems, e.g., electronic mail.

Communication interests:

- Three international telephone companies.
- Six domestic telephone companies.

Through its Sylvania CATV Transmission Systems division, GTE is among the cable industry's top suppliers for a full range of transmission equipment, including trunk amplifiers, line extenders and 58-channel converters. The company also provides guidance on system design and, by late spring, intends to introduce addressable converters to its product line.

Collecting $6.9 billion in revenues last year, GTE's telephone operations, which consist of 16 domestic and three international telephone companies, dwarf all other corporate divisions. GTE products, however, span the breadth of the telecommunications and electronic fields. Precision materials, electrical equipment and Sylvania-brand lighting products are a few of the items this corporation manufactures. GTE's Telenet Communications group designs and operates communications networks, providing such services as electronic mail, credit authorization and financial information. GTE is also about to join the pack of companies that send communications satellites into orbit, by launching its first two birds in 1984.

During the past year, GTE took in $11.03 billion in revenues, up 10 percent from $9.98 billion in 1980. Income from continuing operations amounted to $691 million, a 54 percent gain from $589 million in 1980, and total assets claimed from $19.53 billion to $21.11 billion.

Getty Oil Company

3810 Wilshire Boulevard
Los Angeles, CA 90010
(213) 739-2100
Sidney R. Petersen, chairman
Robert N. Miller, president

Cable interests:

- Entertainment and Sports Programming Network Inc. (85%).
- ABC Getty pay sports channel—joint venture 9/81.

If Getty Oil were to strike it rich with its cable holding, the Entertainment and Sports Programming Network, the benefits would hardly dent the balance sheets of the corporation whose assets fell just short of $10 billion last year. In 1981, Getty's revenues totalled $13.23 billion, a 27 percent increase over the $10.44 billion of 1980, while assets rose 15 percent from $8.27 billion in 1980 to $9.5 billion.

As the name suggests, Getty Oil activities center on exploring, producing, transporting, refining and marketing petroleum. The company extracts this valuable resource from deposits in the United States, the Middle East, the North Sea, Alberta and wherever else dinosaurs and other prehistorics found their final resting places ages ago. Getty's energy pursuits are by no means confined to oil, however. The company is actively engaged in drilling for natural gas, mining coal and uranium and developing synthetic fuel.

Beyond the energy fields, Getty has diversified into such areas as agricultural operations; real estate; forest products; plastics, chemical fertilizers; life, casualty and property insurance; and cable television programming. Getty's primary cable venture is its 85 percent share of ESPN. At the end of 1981, ESPN had 13.6 million subscribers, making it one of the largest advertiser-supported cable services in the country. The oil conglomerate had also attempted another cable programming venture, the now-defunct Premiere pay TV service, of which Getty had been a major financial backer.

While ESPN has been traditionally a basic service for cable subscribers, a recent agreement between Getty and ABC Video promises to change that arrangement. In exchange for ESPN coverage of selected ABC Sports events, ESPN will occasionally present pay-per-view offerings of ABC and Getty.

Gulf + Western Industries Inc.

1 Gulf + Western Plaza
New York, NY 10023
(212) 333-7000
Charles G. Bluhdorn, chairman
David N. Judelson, president

Cable interests:
- USA Network — partnership with Time Inc. and MCA Inc.
- Madison Square Garden Network — supplies event packages for cable television.

Communication interests:
- Paramount Motion Pictures.
- Paramount Television.
- Simon & Schuster.
- Madison Square Garden Corporation.
- Famous Players Limited.
- Famous Music Corporation.

Through the Madison Square Garden Cable Network, a division of the G+W subsidiary Madison Square Garden Corporation, Gulf+Western once held a 50 percent share in the sports programming service, USA Network. Madison Square Garden eventually sold its interest to UA-Columbia, its partner in the programming venture. When UA-Columbia chose to sell its cable network, USA went to a partnership consisting of Time, NCA, and Paramount Television. As Paramount Television is a G+W subsidiary as well, Gulf+Western once again picked up a share in USA Network, only this time just 33 percent. Meanwhile, Madison Square Garden Cable Network continues to breed its own programming and in fiscal 1982 will offer a 125-event package for cable viewers throughout the country.

Gulf+Western groups its cable services into its leisure-time division, a cluster that also includes Famous Music, Famous Players, Simon & Schuster, and Paramount Pictures. In fiscal 1981 ended last July, corporate revenues finished at $5.7 billion, up 7 percent from the previous year's $5.34 billion. Paramount Television attracted $178 million in revenues, while Madison Square Garden hauled in $201 million.

The corporation that earned the 57th berth on the *Fortune* 500 in 1980, G+W manufactures clothing, Simmons mattresses, energy and industrial products, automotive components and replacement parts, and amusement games. G+W also owns cement, chemical, zinc and sugar operations; a tourism business in the Dominican Republic; and Consolidated Cigar Company.

Harte-Hanks Communications Inc.

40 N.E. Loop 410
San Antonio, TX 78216
(512) 344-8000
Robert G. Marbut, president
Houston H. Harte, chairman of board

Cable interests:
- Harte-Hanks Cable — systems in CO, TX, under 20,000 subs (plus three under construction in FL and PA); manages seven systems with 23,500 subs.
- Will acquire Southwestern Satellite in 1984 (4,000 subs).
- CompuServe and Associated Press experimentation in data base systems.
- Will acquire UltraCom from AEL in 1984 (43,000 subs).

Communication interests:
- 86 newspapers.
- Six advertising publications.
- Four television stations.
- 11 radio stations.
- Entertainment software.

During 1981, Harte-Hanks reaped an all-time high of $348 million in operating revenues, 15 percent better than the previous year's $303.7 million. Nearly 20 percent, or $68.4 million, of the corporate revenue harvest came in via the company's broadcasting division, which includes four television and 11 radio stations, as well as the company's cable holdings.

An MSO with nine cable systems serving about 19,000 subscribers, Harte-Hanks also manages another seven systems with 25,300 subscribers and has options to purchase these systems outright. The company pumped a lot of blood into cable expansion during 1981. It signed an option agreement with AEL Industries to acquire AEL's MSO, UltraCom Inc., by 1984. UltraCom runs 13 cable systems with 43,000 subscribers and has three more cable systems under construction where 8,000 subscribers are already receiving service. In addition, Harte-Hanks picked up an option on Southwestern Satellite Inc. which provides cable to 4,000 Houston-area subscribers. In a deal related to the UltraCom agreement, Harte-Hanks bought $15 million in preferred stock of AEL, a company that also supplies converters, amplifiers and other electronic equipment to the cable industry.

Besides cable and broadcast holdings, Harte-Hanks owns several daily and weekly newspapers, advertising and specialty publications, commercial printing facilities, "target distribution" systems, direct-mail services, market research operations and an entertainment production company. The company's Framingham, Mass., newspaper began publishing last year as part of an information-retrieval test currently being conducted by CompuServe and Associated Press.

Heritage Communications Inc.

2195 Ingersoll Ave.
Des Moines, IA 50312
(515) 245-7585
James M. Hoak Jr., president
James S. Cownie, executive vice president

Cable interests:
- Heritage Communications Inc.—systems in AL, CA, CO, IA, IL, MS, TN, TX, WI. Total subs: 248,000 (3/31/82). Total systems: 117.
- 1/82 Birmingham, MI, awarded to joint venture of Booth Communications and Heritage (50-50%). Potential homes: 15,000. Potential plant miles: 150.
- Heritage is minority owner and general partner of six limited partnership in IA, CO, MO, TX.
- 3/82 Waverly, IA, awarded to Heritage (100%). To be built in 1982.
- Joint venture with ATC for system in Council Bluffs, IA (awarded 1978).
- Joint venture with Booth Communications for franchise pending in South Pinellas County, FL.
- Los Angeles, CA, franchises granted to CATV West Inc. (owned 80%). Total subs: 30,000.

Communication interests:
- Shaw-Barton Inc. merger—specialty advertising.
- Addition of four companies to display advertising division (operations in St. Paul, St. Louis, Dallas and Houston).

Since 1971, when the cable communications company first opened its doors, Heritage has grown into the 17th largest MSO in the nation, with 117 systems and 248,000 subscribers. Through franchising and acquisition, Heritage continues to grow at an extraordinary pace. In 1981, corporate revenues surged to $77.2 million, 207 percent better than 1980's $25.1 million, an amount that had already excelled 1979's intake by more than $10 million. Heritage's telecommunications division, 99 percent of which consists of cable operations, secured $27.5 million in 1981 revenues, nearly doubling 1980's $13.9 million. Besides several small franchise awards in Iowa communities, Heritage recently won Birmingham, Mich., with 15,000 homes, in a joint venture with Booth Communications. And it has been responsible for pioneering a microwave interconnect through Iowa.

To balance the enormous capital outflow that goes hand-in-hand with cable investment, Heritage has diversified into other fields, notably radio and advertising. In line with the company's desire to remain a "broad-based communications company with special emphasis on television," Heritage has acquired four display advertising companies, which now form the Heritage Display Communications Group, and Shaw-Barton, a specialty advertising firm. Last March, however, Heritage disposed of its two radio stations.

Insilco Corporation

1000 Research Parkway
Meriden, CT 06450
(203) 634-2000
Durand B. Blatz, chairman
Donald J. Harper, president

Cable interests:
- Ownership of Times Fiber (75%)—manufacturer of coaxial cables and fiber optics.

Communication interests:
- Taylor Publishing Company.
- Investment in Broadstreet Communications (Insilco Broadcast Group): seven radio stations.

A company whose subsidiaries make everything from prefabricated homes to Rolodex alphabetical desk-files, the Insilco Corporation sold $684.9 million worth of products during 1981. Among the company's 15 subsidiaries is Times Fiber Communications (TFC), a top manufacturer of coaxial and fiber-optic cable for the CATV industry. Over the past five years, Times Fiber's sales leapt from $26 million to $120 million, and 1981 assets rose to $69.4 million. The cable industry accounts for 80 percent of all TFC sales. In March 1981, TFC went partially public when Insilco reduced its share in the company from 99 to 75 percent.

Other Insilco subsidiaries besides TFC and Rolodex include: Miles Homes; Nationwide Homes; Enterprise Paints; Red Devil Paints; Sinclair Paint; International Silver Company, which manufacturers tableware; Taylor Publishing, which puts together high-school and college yearbooks; and various companies that manufacture automotive, electronic and computer parts. In 1980, Insilco ranked 410 in the *Fortune* 500.

Knight-Ridder Newspapers Inc.

One Herald Plaza
Miami, FL 33101
(305) 350-2650
Alvah H. Chapman Jr., chairman of board
James K. Batten, president

Cable interests:
- TKR Cable Company—joint venture with TCI. Systems in NJ, NY. Subs: 43,000.
- Joint venture with Times Mirror to rebuild Long Beach, CA, system.
- TKR acquired Cross Country Cable's NJ systems.
- Bay Cable—(45%) joint venture with TeleCable to apply for franchise in Tampa, FL.
- Viewdata Corporation of America (Viewtron)—joint ventue with AT&T.

Communication interests:
- 32 daily and 22 suburban newspapers including *Philadelphia Inquirer*, *Detroit Free Press*, and *Miami Herald*.
- Four television stations.
- HP Books.

- Commodity News Service.
- KR Newspaper Sales Inc.
- KNT News Service.
- Part owner of the following companies: Dublin Newsprint Mill; *Seattle Times*; *Walla Walla Union-Bulletin*.

The number 285 corporation on the *Fortune* 500 for 1980, Knight-Ridder is taking a shotgun approach to cable ventures, allying itself with several companies to gain a solid foothold in the business. Knight-Ridder became a system operator earlier this year by forming a joint venture with TCI, called TKR Cable Company. Moving rapidly in the area of acquisition, TKR has ambitious expansion designs. Earlier this year, it picked up Cross Country Cable's New Jersey systems, including 43,000 subscribers in 21 communities, and to obtain 38,000 additional subscribers, TKR purchased TCI systems in New York and New Jersey. In all, the company has set its eyes on 100,000 subscribers by the end of this year, and 500,000 by the end of 1986.

Knight-Ridder's TKR enterprise is only the beginning. In a second venture, Knight-Ridder has joined forces with Landmark Communications' TeleCable Corporation to apply for the Tampa, Fla., cable franchise. In another partnership, Knight-Ridder joined Times Mirror to upgrade to the latter company's antiquated Long Beach, Calif., system.

On the technology side, Knight-Ridder and AT&T are developing the Viewtron videotex system. An initial test of Viewtron is underway in Coral Gables, Fla., and the two companies plan to broaden the test's scope next year to include all of southern Florida. Five thousand homes will partake in this second test, and Viewtron will switch to Telidon technology. Eventually, Knight-Ridder hopes to market Viewtron to other communications firms. In this vein, talks have begun with Affiliated Publications and Capital Cities Communications that could bring Viewtron to Boston, Kansas City, Mo., and Fort Worth, Texas.

Knight-Ridder's operating revenues reached $1.24 billion in 1981, and the corporation earned $100.4 million in income. Through 59 subsidiaries and divisions, the company owns 32 daily newspapers, including the *Philadelphia Inquirer*; four television stations; Commodity News Services Inc.; the *Journal of Commerce*; HPBooks, which publishes cookbooks and "how-to" books; and KR Newspaper Sales Inc.

M/A-COM Inc.

South Avenue
Burlington, MA 01803
(617) 272-9600
Dr. Lawrence Gould, chairman
Richard T. DiBona, president

Cable interests:

- Valtec—Philips and M/A-COM joint venture which manufactures optical fiber cable.
- M/A-COM Comm/Scope Inc.—manufactures coaxial cable.
- M/A-COM Comm/Scope Marketing Inc.—markets the coaxial cable.
- M/A-COM Prodelin Inc.—manufactures earth stations and electronic equipment.
- M/A-COM Video Satellite Inc.—CATV earth station and electronic equipment.
- Nineteen other companies manufacture components and products for CATV industry users.
- MACOMNET Inc.—transmission systems for teleconferencing, electronic mail.

Communication interests:

- Approximately 24 companies serve markets such as telephone, broadcast, RCC, commercial radar and security, defense and private networks.

M/A-COM Inc., through its 22 companies and two joint ventures, provides equipment and systems for commercial telecommunications and defense applications A major supplier to cable operators, M/A-COM achieved revenues of $514.7 million in the fiscal year ended October 1981, $180.5 million (or 35 percent) of which were realized by its cable/home communications group, whose revenues increased 66 percent over 1980's $109 million. M/A-COM's 160 percent growth in 1980 ranked among the top 10 biggest increases in the industry, accoring to *Fortune*.

M/A-COM's cable division consists of five companies including M/A-COM Comm/Scope Inc., one of the nation's largest manufacturers of coaxial cable; M/A-COM Comm/Scope Marketing Inc., the sales vehicle for Comm/Scope; M/A-COM Prodelin Inc., earth station and microwave antenna suppliers; M/A-COM Video Satellite Inc., a manufacturer of earth stations and electronics equipment for cable operators; and Valtec, a producer of optical fiber cable. Valtec is a joint venture with the Philips Optical Communications Corporation. M/A-COM acquired Prodelin Inc., Comm/Scope, and Valtec relatively recently, reflecting a strong commitment to penetrating the cable industry market. Of the firm's coaxial cable sales, 60 to 70 percent last year were to large MSOs. M/A-COM's earth station sales have tapered off, but the company foresees a rebound in sales once new satellites are launched. Optical fibers for business systems and earth station sales to remote areas that are unlikely candidates for cable wiring are two growth areas the company hopes to pursue.

Several of the companies in M/A-COM's other two divisions—components and integrated digital communications—also produce and supply equipment used by the cable industry. The 11-company components division includes firms that provide circuitry for line amplifiers, power divider-type connectors for earth stations, and transistors. The eight-company digital division manufactures high technology equipment for satellite digital communications as well as encryption products for microwave and satellite transmissions. This division comprises LDD Inc., a joint venture with Aetna Insurance that intends to design, sell, and service business communications systems for coaxial cable systems, and MACOMNET Inc., M/A-COM's own transmission system for such business services as teleconferencing and electronic mail.

MCA Inc.

100 Universal City Plaza
Universal City, CA 91608
(213) 985-4321
Lew R. Wasserman, chairman
Sidney Jay Sheinberg, president

Cable interests:

- Owns one-third of USA Network.

Communication interests:

- MCA TV Enterprises.
- MCA Publishing Rights.
- MCA TV.
- MCA Merchandising.
- MCA Development.
- MCA Recreation Services.
- MCA Records.
- MCA Videodisc.

A leading producer and distributor of motion pictures through its Universal Studios subsidiary, MCA ranked 256 on the 1980 *Fortune* 500 listing. The past year, however, was a financially difficult one for the large conglomerate. In 1981, corporate revenues rose to $1.33 billion, only slightly better than last year's $1.30 billion, while the company's net income plummeted 34.8 percent, from $137.65 million in 1980 to $89.79 million.

MCA gained entry into the cable market last year by purchasing a one-third interest in USA Network, which is now owned by three partners: MCA, Paramount (Gulf+Western), and Time Inc. MCA had already been cashing in on the cable boom by leasing rights for use of its television shows and motion pictures, to the tune of $439 million in fiscal 1980.

Other MCA subsidiaries include Universal Theatrical Motion Pictures, Universal Television, MCA TV, MCA Records, MCA Music, a retail and mail-order division, , and MCA Recreational Services. This last affiliate handles visitor concessions at Yosemite National Park and at the Federal Mall in Washington, D.C. MCA is also involved in book publishing enterprises.

Multimedia Inc.

P.O. Box 1688
Greenville, SC 29602
(803) 298-4373
Wilson C. Wearn
Walter E. Bartlett

Cable interests:

- Systems in IL, KS, OK, NC (153,000 subs).
- Lease a cable channel to air news from the Asheville *Citizen-Times* (2/82).

Communication interests:

- 13 daily, 22 non-daily newspapers.
- Six television stations.
- 12 radio stations.
- Produces and syndicates programming.

Currently the nation's 28th largest MSO, Multimedia operates more than 60 cable franchises in Kansas, Oklahoma, North Carolina and Illinois. In 1981, cable enterprises brought the company $19.4 million in revenues, more than doubling the $8.95 million realized by the firm in 1980. Subscriber levels have correspondingly jumped from 66,000 to 153,000, and the company aims to reach the 225,000 mark by the end of 1984. One area of cable growth for the firm is North Carolina, where Multimedia is gradually bringing Tar River Communications under its wing. Earlier this year, Multimedia bought its second 20 percent option in the 44,000-subscriber MSO and has an agreement to pick up the remaining 60 percent in similar-sized increments over the next four years. The company also sees the Chicago area as a region ripe for Multimedia's cable expansion.

Aside from cable operations, Multimedia also publishes 35 newspapers, owns six television and 12 radio stations and produces and syndicates television programming. Multimedia Program Productions Inc., the arm responsible for syndication, offers the highly successful talk show, *Donahue*, and is the largest producer/syndicator of country music programming.

As a whole, the company achieved $195.3 million in revenues during 1981. Corporate assets reached $256.1 million. Multimedia's newspaper division is also involved in the cable revolution, through the company's Asheville (N.C.) *Citizen-Times*. In February, the *Citizen-Times* began an advertiser-supported news service on a leased cable channel in that community. Multimedia would like to arrange similiar leases with cable operators elsewhere.

The New York Times Company

229 West 43rd Street
New York, NY 10036
(212) 556-1234
Arthur Ochs Sulzberger, chairman
Walter E. Mattson, president

Cable interests:

- New York Times Production—2/14/82 began plans to produce original programming for cable television (mid-summer production schedule).
- New York Times Cable—Audobon, NJ, 55 communities, 95,400 subscribers.

Communication interests:

- 13 weekly and five daily newspapers.
- New York Times On-Line—full text retrieval service.
- Magazine publishing including *Family Circle*, *Golf Digest* and *Tennis*.
- Three television stations.
- Two radio stations.
- Books, information and education, includig Times Books, NYT News Service/Special Features, Teaching Resources.

All the news that's fit to print is not the *New York Times* anymore—at least if you are referring to the parent company. Besides publishing the newspaper of the same name, 13 weekly and five daily newspapers in Southern states, and *Family Circle*, *Golf Digest*, and *Tennis* magazines, the Times has its hands in a news service, a feature syndicate, information retrieval services, a microfilm publishing company, books and educational materials, and shared interests in Canadian newsprint firms, Madison (Maine) Paper Industries, and the *International Herald Tribune*.

The brunt of the expansion action at the New York Times Company these days, though, is in the broadcast and cable division. The company that owns three television stations and two radio stations is set to beef up its cable involvement. The company purchased from Irving Kahn the Audubon, N.J., cable system which serves 89,600 subscribers in 55 communities. The system is ranked number 11 of all cable systems in terms of size and is called NYT Cable. In addition, in February 1982, the Times formed the New York Times Production Company, which will put together cable programming using a format modeled after that of the newspaper's various sections.

In 1981, corporate revenues grew 15 percent, from the $733.24 million of 1980 to $845.21 million. The company's income has rebounded substantially since the 1978 newspaper strike that idled the *Times*, with earnings hitting a record $49.97 million last year, up from $40.61 million the year before. Profits for the cable and broadcasting division, though, staggered to $3.53 million in 1981 from 1980's $3.84 million, a dip that the company attributes to costs associated with building the New Jersey franchises.

North American Philips Corp.

100 East 42nd Street
New York, NY 10017
(212) 697-3600
Pieter C. Vink, chairman
Cees Bruynes, president

Cable interests:

- Manufactures and develops high-contrast, low-power portable alphanumeric display.
- Magnavox CATV Systems Inc.—subsidiary which supplies modular amplifiers and distribution equipment for monitoring system performance.

Communication interests:

- Acquisition of GTE's Sylvania and Philco electronics (1981).
- Manufactures home entertainment products, video cassettes, color television receivers, projection TV, videodiscs.

As the parent company of Magnavox CATV Systems Inc., North American Philips supplies the cable industry with modular amplifiers and distribution equipment for monitoring system performance. Through a separate corporate division, Philips is also developing a high-contrast, low-power, portable alphanumeric display to be used in videotex and teletext applications.

Net sales for Philips surpassed the $3 billion mark in 1981, a gain of 40 percent over $2.171 billion in 1980. During the same period, income climbed to $78.52 million from the $74.38 million of the previous year, and total assets reached $1.85 billion, up from $1.52 billion. Philips' acquisition of GTE's Philco and Sylvania electronics business for $116 million was responsible for nearly $25 million of this growth in assets.

Magnavox CATV is a segment of the company's professional equipment division, which also manufactures medical diagnostic equipment; electronic instrumentation for energy, chemical and environmental analysis; and electronics equipment for defense purposes. Through its Magnavox, Philco and Sylvania lines, Philips is rapidly expanding in the area of consumer electronics and now manufactures color television receivers, projection TV, Odyssey video games, videocassette recorders, videodisc playback machines, Norelco appliances and shavers, as well as garage-door openers, lighting products, brushes, musical instruments and magnet wire.

The Hartford National Bank and Trust, which owns 61 percent of Philips' stock, acts as a trustee for the shareholders of Philips of The Netherlands.

Oak Industries Inc.

16935 West Bernardo Drive
Rancho Bernardo, CA 92127
(714) 485-9880
Everitt A. Carter, chairman
Raymond W. Peirce, president

Cable interests:

- Manufacturer of electronic components, switches, quartz crystal products, resistors, appliance components and laminating materials.
- Oak Communications—two CA systems. Total subs: 33,700.
- Oak Media Development Corporation—joint venture with Universal Pictures to produce movies for pay TV.

Communication interests:

- STV operator—total subs: 600,000.
- Developing scramblers and decoders for direct broadcasting via satellite.
- VideoNet—(81%) produces teleconference services and programming.

Currently celebrating its 50th anniversary, Oak Industries is basking in the success of its highly profitable communications enterprises. While corporate sales improved by 32 percent, attaining a record level of $507.12 million, communications revenues (including STV as well as cable) trucked in $206.55 million, a 61 percent better haul than 1980's $161.37 million. Net income's growth rate for communications jumped 51 percent, reaching $30.35 million. Just five years ago, the communications systems division accounted for a mere eight percent of Oak's total sales.

A major contributor to the communications division's revenues is terminal sales, but they are only one portion. The company is also active in operations and programming and recently announced that it will launch a DBS service in 1983. Oak has leased four transponders on the Canadian satellite, Anik-C, to deliver pay TV programming to viewers in the Pacific Northwest and northeastern U.S. by mid-1983. Oak will file a request before the Federal Communications Commission to seek permission to operate a domestic DBS operation.

Oak is already a large subscription television (STV) operator with 600,000 subscribers to its five ON TV systems nationwide, with plans to begin operations in several more large metropolitan markets. Oak also owns two California cable systems with 33,700 subscribers, but is in the process of selling them.

In programming, the Oak Media Development Corporation is involved in a joint venture with Universal Pictures to produce movies for pay TV, the first collaboration of this kind between a major studio and a pay TV system operator. The division is also providing financial support for the development of Campus Entertainment Network, a pay-per-view network which will provide programming to colleges. Other partners will be announced soon. Meanwhile, the Oak Satellite Corporation has purchased an 81 percent interest in VideoNet, a producer of teleconference services and programming.

Besides communications activities, Oak is a manufacturer of electronic components including switches, quartz crystal products, resistors, appliance components and laminating materials for industrial needs.

The Penn Central Corporation

245 Park Ave.
New York, NY 10167
(212) 599-8000
Richard Dicker, chairman
Richard A. Voell, president

Cable interests:

- Manufactures products and supplies services for cable industry.
- 1981—acquired G.K. Technologies Inc., which owns General Cable Company and General Cable International.

Communication interests:

- Sprague Electric Company.

Last spring, when Penn Central acquired G.K. Technologies Inc. for $704 million, the company that once rode the rails jumped track to the electronics and telecommunications industry. The new acquisition brought in 28 percent of Penn Central's 1981 net sales, or $947.2 million of the $3.349 billion corporate total. The remainder came from petroleum products, offshore oil rigs, real estate operations, resorts, conference centers and amusement parks. In a move to divest itself of all holdings unrelated to either electronics and telecommunications or energy and natural resources, Penn Central recently sold its amusement parks.

Before the Penn Central acquisition, G.K. Technologies sat at 275 on *Fortune*'s 500 for 1980. That year, a G.K. subsidiary named General Cable realized 30 percent of that company's sales. A manufacturer of wire and cable products for the telecommunications industry, General Cable now gives Penn Central a place in the cable industry as an equipment supplier. As with many coaxial cable manufacturers, General Cable is also involved in fiber optics development, which will become of increasing value for CATV applications. Another part of General Cable is its Apparatus Division which builds trucks for the cable industry. General Cable sales reached $359 million in 1980, but since Penn Central does not break out revenues for G.K. Technologies subsidiaries, comparable figures for 1981 are unavailable. The G.K. Technologies acquisition also gave Penn Central the engineering firm Automation Industries and Sprague Electric, a capacitor manufacturer.

Pioneer Electronic Corporation

11222 LaCienega Blvd., Suite 540
Inglewood, CA 90304
(614) 876-0771
Nozomu Matsumoto, chairman and representing director
Yozo Ishizuka, president and representing director

Cable interests:

- Manufactures system-related equipment.
- Concentration on QUBE technology.

Communication interests:

- Home audio products.
- Auto audio products.

Weathering a sluggish audio market in 1981, Pioneer was pleased with commercial acceptance of two newer products: LaserDiscs, those rainbow-colored video records, and subscriber terminals for interactive services. The company is the terminal supplier for Warner Amex's QUBE system. As QUBE moves into more cities, Pioneer will greatly benefit from increased Warner Amex orders. A second-generation terminal developed by Pioneer for Warner Amex's QUBE III offers 110-channel capacity and can be used for home security, home shopping and information retrieval. Pioneer recently introduced a one-way addressable terminal, which ties in with its marketing campaign to sell its products to cable companies and systems other than QUBE. Indeed, other companies are bidding Pioneer terminals in their franchise proposals.

Before expanding into the video and cable markets, Pioneer chiefly manufactured stereo components, cassette recorders and related audio equipment. The Japan-based company has wholly owned manufacturing subsidiaries in the United States, Belgium and Australia, as well as joint ventures in Taiwan and Korea. During fiscal 1981 ended last September, Pioneer's net sales amounted to $1.41 billion, a slight gain over 1980's $1.3 billion. Net income, though, slid to $63.85 million from $86.19 million the previous year. The company's "other products" division, which manufactures LaserDiscs, telephone-answering machines and QUBE terminals, increased its percentage of corporate sales from 5.7 to 6.7, and despite the company's other difficulties, sales in this division rose 28.3 percent, from $73.14 million to $93.84 million.

Playboy Enterprises Inc.

919 North Michigan Ave.
Chicago, IL 60611
(312) 751-8000
Hugh M. Hefner, chairman
Derick J. Daniels, president

Cable interests:

- Escapade—joint venture with Cox Communications, Cablevision, and Daniels & Associates. Will be renamed The Playboy Channel early 1983.

Communication interests:

- Magazine publishing: *Playboy*, *Games*, guides.
- Book Publishing—PEI Books Inc.
- Playboy Productions—television, home video, pay cable production.

Playboy Enterprises has long been in television and motion picture production, but last year moved into cable television production through its joint venture arrangement with Rainbow Programming Service's Escapade pay channel, an adult movie service. With Playboy's investment in the service, a reformat and new name will occur, better reflecting the "Playboy" image. The service plans to change its name to The Playboy Channel. Playboy also entered into a one-year deal with Oak Communication's ON TV subscription television outlets to carry its original programming. Oak serves 600,000 subscribers.

Playboy's major corporate focus is in entertainment with flagship *Playboy* magazine and the magazine division generating $156.4 million for 1981. This, however, was a decline of 3.4 percent in total revenues and earnings. In addition, revenues from clubs and hotels also reflected a 3.6 percent decline, contributing $60 million. Gaming revenue was a positive revenue source reflecting a 20 percent increase and contributing $120.7 million. However, Playboy has lost its British casino business because of local gaming rules violations, and also plans to sell its Atlantic City gambling operation.

Other Playboy business includes book publishing, licensing and merchandising of Playboy products, limousine rental, Playboy Productions, the production arm of the company, and other interests. Total revenue from these ventures added $13.3. million in gross revenue. Total revenues, therefore, came to $388.9 million with a net income of $14 million.

Playboy plans to increase its investment in Playboy Productions through its partnership with Escapade and will produce a number of programs for The Playboy Channel. Playboy management is confident that the future of programming lies in pay cable and will continue to provide further capital in that arena. Management expects Playboy Productions to become one of the company's major profit centers within the next five years.

RCA Corporation

30 Rockefeller Plaza
New York, NY 10020
(212) 621-6000
Thornto F. Bradshaw, chairman
Frank T. Alfieri, executive vice president

Cable interests:

- RCA Cablevision Systems—supplies equipment and installation services for cable systems.
- The Entertainment Channel—joint venture with Rockefeller Center Inc. A pay TV programming service (debut 6/82).

Communication interests:

- Five television stations.
- Eight radio stations (four AM, four FM)
- RCA Network Services—electronic message service.
- RCA Globcom—international satellite service.
- RCA Americom—domestic satellite service.

RCA met with hard times last year. While assets reached $7.86 billion, a 10 percent improvement from a year ago, operating revenues remained essentially unchanged at $8 billion. On the other hand, net profits for the company plummeted to $54 million from $315 million the year before, a decline of 82 percent. In an effort to turn around these disappointing financial trends, RCA wants to dispose of all its non-electronic subsidiaries except for the C.I.T. Financial Corporation, which has been a consistent money-winner since its 1980 acquisition. Hertz Corporation and Coronet Industries are both on the chopping block. In another belt squeeze on the belly, RCA has decided to close down many of its overseas operations and has withdrawn from a joint venture in Europe for manufacturing TV picture tubes.

RCA has a twofold relationship to the cable industry: as an equipment supplier and as a programmer. Through its subsidiary, RCA Cablevision Systems, the company provides equipment and installation services for cable systems. As a programmer, RCA has entered into a joint venture with Rockefeller Center Inc. The duo will soon launch a pay TV programming service called The Entertainment Channel.

The company's extensive holdings include the television network NBC along with its five television stations and 214 affiliates, and its eight radio stations and 369 affiliates. In addition, the communications subsidiary RCA Americom owns the Satcom satellite system, whose transponders are used to deliver programming signals to cable systems' earth stations. RCA also manufactures TV receivers, records and recording tape, and videodisc players.

Rogers Cablesystems Inc.

St. 2602, Box 249 Commercial Union Tower
Toronto, Canada M5K 1J5
(416) 864-2373
John W. Graham, chairman
Edward S. Rogers, vice chairman and CEO

Cable interests:

- Rogers Cablesystems Inc.—systems in United States, Ireland, Alberta, Ontario, British Columbia. Total subs: 1.9 million.
- Rogers-UA Cablesystems includes: UA Columbia Cablevision Inc. acquired 11/81, systems in 15 states with total subs of 467,000 (51%); US Cable Systems Inc., systems in CA, OR, MN, NY, total subs 44,000 (100%).

The largest MSO in Canada, Rogers Cablesystems gained a decisive foothold in the U.S. cable market this past year. Franchising awards in Portland, Ore., Southern California and suburbs of Minneapolis, added 303,000 to the tally of Rogers' U.S. homes passed, but these successes were dwarfed by the company's acquisition of majority stock in UA-Columbia Cablevision. Together, Rogers and UA-Columbia can lay claim to 560,000 subscribers in the United States, making the combination the ninth largest MSO here. In the fiscal year which ended in August 1981, Rogers amassed assets of more than $421 million and revenues exceeding $109.6 million.

The UA-Columbia move followed a bitter battle, in which Rogers' partner in the purchase, United Artists Theater Circuit (UATC), as a minority stockholder in UA-Columbia, fought an attempted takeover of UA-Columbia by Dow Jones and Knight-Ridder. Once Dow Jones and Knight-Ridder exited from the scene, Rogers and UATC stepped in, with Rogers selling its shares in Famous Players Ltd., a major theater operator in Canada and France, to raise the necessary capital for the deal. With the sale of Famous Players, Rogers became exclusively a cable corporation.

In Canada, Rogers holds franchises in Ontario, Alberta and British Columbia, with subscribers totalling more than 1.9 million. The company recently suffered a setback when the Canadian Radio-television and Telecommunications Commission, in issuing the first license for pay TV in that country, passed up Rogers' Canadian Premiere Television and gave the nod to First Choice Canadian instead.

Rogers' cable interests extend overseas as well, where the firm operates franchises in Ireland and is arranging to play a role there in the programming service Radio Telefis Eireann.

Rollins Inc.

2170 Piedmont Road N.E.
Atlanta, GA 30324
(404) 873-2355
O. Wayne Rollins, chairman
R. Randall Rollins, president

Cable interests:

- Rollins Cable Vue—owns 80% of CT systems and 100% of those in DE and MA. Total subs: 107,000. Franchising currently in RI.

Communication interests:

- Three VHF stations.
- One FM and five AM radio stations.
- Outdoor advertising facilities.

Rollins Inc. is the parent company of the nation's 37th largest MSO. Rollins Cable Vue, which has 107,000 subscribers in Delaware and Connecticut. Energetically franchising in Massachusetts, Rollins has received several franchise awards in that state. The company is also acquiring systems in Rhode Island. Along with three television stations, six radio stations and billboard advertising facilities, Rollins Cable Vue forms the company's smallest component, its media division. In fiscal year 1981, which ended June 30, the media division saw revenues of $62.14 million, an increase of 13.5 percent over fiscal 1980's $54.74 million. The corporation as a whole achieved revenues of $454.61 million during fiscal 1981, a 14 percent improvement over 1980's $400.4 million. Corporate assets grew to $313.46 million from 1980's $281 million.

Besides its media holdings, Rollins also owns the Orkin Exterminating Company, the largest termite and pest control firm in the world; Patterson Services, an equipment supplier for oil and gas exploration and drilling; and Rollins Protective Services, the largest home security firm in the United States.

Sammons Enterprises

P.O. Box 225235
Dallas, TX 75265
(214) 670-9790

Cable interests:

- Sammons Communications Inc.—systems in AL, CA, FL, IN, IA, KY, LA, MS, MO, NJ, NY, NC, OK, PA, TN, TX, VA, MD, WA. 54 systems in 210 cities and 21 states. Total subs: 453,021 (3/1/82).
- Franchise joint venture—Ft. Worth, TX, 80% ownership. Other 20% owned by local former owner (4/81).
- Sammons Production—produces sports programming for Sammons' systems (live and delayed broadcasts contracted from universities, etc.).
- Sammons Information Service—receive data transmission from Dow Jones and distribute to systems.

Sammons Enterprises, parent company of Sammons Communications, the number-13-ranked cable MSO, is a privately owned corporation. Total revenue for the company in 1981 was not available at press time, but 1980's figure was given to be $1.2 billion, with net income for that year set at $48 million (1981's net income was also not available).

The cable division is one of four. The other three include a distributing outlet for imported dinnerware, as well as for oil supplies and products, hotel and resort operations and an insurance business. The cable business has been an important contributor to the financial picture, but is not Sammons' biggest division. Nevertheless, revenues for 1981 are listed at $59.5 million compared to 1980's $50.2 million, an increase of 18.5 percent. Net income rounded out to $7.1 million for 1981, a 108 percent increase over 1980's total of $3.4 million.

Sammons Communications owns 54 cable systems in 210 cities and 21 states with total basic subscribers of 453,021. Presently, the company is involved in building its Fort Worth, Texas system, granted to Sammons in March 1980. The franchise is a joint venture, with Sammons controlling 80 percent of the cable system and 20 percent owned by local investors.

Also a part of Sammons Communications are a production company and Sammons Information Service. The service receives data transmission from Dow Jones and distributes it to systems. Sammons Productions handles sports programming, coming from both live and delayed sources, primarily universities and high schools, which are carried on its cable systems. Some of the material, however, is produced for other clients. Sammons also continues its franchising and acquisition operations throughout the cable industry.

Scientific-Atlanta Inc.

One Technology Pky. Box 105600
Atlanta, GA 30348
(404) 441-4000
Sidney Topol, chairman
Jack R. Kelly Jr., executive vice president

Cable interests:

- Manufactures satellite earth stations, produces products for and has sales organizations for all segments of satellite communication field. Equipment manufactured includes: antennas, cable, coaxial cable, subscriber home products, earth stations.

Currently turning out earth stations at the rate of 300 per month, Scientific-Atlanta is a leading manufacturer of headends and antennas in the United States. During the past few years, the company has broadened its equipment line, acquiring a coaxial cable manufacturer, Systems Communications Cable, in 1980, and introducing a 54-channel subscriber terminal in 1981. The company expects terminal sales to reach one million a year. In addition, Scientific-Atlanta sees enormous growth potential in supplying equipment for such interactive services as energy management systems, teleconferencing and electronic mail. In this area, S-A plans to provide a home security system for a cable operation in Green Valley, Ariz.

In fiscal 1981, ended last June, Scientific-Atlanta realized $277.29 million in sales, up 44 percent from the $192.0 million of 1980. Total corporate assets are approaching $200 million. Communications products make up about 60 percent of the company's sales, and instrumentation products for the semiconductor and telecommunications industries the other 40 percent. Communications sales have increased 83 percent and 93 percent during the past two years, a success that the company attributes to the "rapidly expanding cable and television markets." Start-up costs for the company's 54-channel terminal cut into corporate gross profits last year, which as a percentage of sales, decreased slightly in fiscal 1981. The company recently announced that it is starting production on a newer 54-channel model which will begin this spring.

Scripps-Howard Broadcasting

1100 Central Trust Tower
Cincinnati, OH 45202
(513) 621-0131
Jack R. Howard, chairman
Donald L. Perris, president

Cable interests:

- Scripps-Howard Cable Services Company: Lake County, FL—100% ownership; DeBarry, FL—100% ownership; Tulare, CA - 80% ownership (20% Mickelson Media), franchised in 82 (will build by year end); Ann Arbor, MI—49% ownership (Daniels & Associates owns and operates the franchise); Lower Fairfield County, CT—49% ownership (Cablevision Systems and a minority group own the rest), under construction; Springfield, MA—18% ownership (Continental Cablevision and The Tribune Company own the rest), will be built by 1982 year end.
- Participation in ABC/Westinghouse SNC by supplying local news.
- Longmont, CO—franchise pending, will own 80-100% if franchise is awarded to Scripps-Howard.

Communication interests:

- Four AM radio stations
- Four FM radio stations.
- Six television stations.

As owner of six television and eight radio stations, Scripps-Howard is a relatively new entry into the cable arena. Through partnerships with several different operators, though, the Ohio-based firm is quickly becoming a major MSO. Franchises in which Scripps holds an interest include: Ann Arbor, Mich.; the recently awarded Fairfield County, Conn. franchise (49 percent, with Daniels & Associates); Springfield, Mass. (18 percent, with Continental and Tribune); and Tulare County, Calif. (80 percent, with Mickelson Media).

Scripps is also involved in cable through another avenue, supplying cable operators with local news programs. In one instance, the company's *Rocky Mountain News* is pursuing a joint venture with Mile Hi Cablevision to bring Denver local news via cable. The company is also negotiating with Ted Turner and Westinghouse/ABC about providing local and regional spots for CNN2 and the Satellite News Channels. Scripps has a good reputation for news gathering ability, as the owner of United Press International. E.W. Scripps has been trying to find a buyer for the financially troubled UPI, but to no avail. Prospective deals with National Public Radio and with Reuters have fallen through.

Operating revenues for Scripps-Howard ended the year at $87.34 million, up from $76.99 million in 1980. Net income increased as well, from $16.5 million in 1980 to $19.2 million in 1981. Seventy percent of the company is owned by E.W. Scripps Co., a privately held firm.

Storer Broadcasting Company

1177 Kane Concourse
Bay Harbor Island, Miami Beach, FL 33154
(305) 866-0211
Peter Storer, vice chairman
Terry H. Lee, president

Cable interests:
- Storer Cable Communications—systems total 117; operational in 20 states; total subs: 920,000.
- Major 1981 franchise awards: Prince George County, MD—120,000 homes; Glendale, AZ—35,000 homes.
- Spotlight.

Communication interests:
- Seven television stations.

Storer Broadcasting's cable division, Storer Cable Communications, continued its strong revenue growth during 1981. From 1979 to 1980, the company's cable revenues soared 70 percent, to $68.23 million. During 1981, cable revenues grew even more dramatically, achieving a $132.7 million total, for a gain of 94 percent. The company's rapid expansion and capital expenditures, however, led to a 3.5 percent loss in net cable income for the past year.

Storer currently owns and operates 117 cable systems in 20 states, and its 920,000 subscribers make it the fifth largest MSO in the nation. Last year's franchising melee ended with Storer receiving two major awards: Prince George's County, Md., with 120,000 homes, and Glendale, Ariz., with 35,000 homes. Along with Times Mirror, Cox, TCI, and Cablevision Systems, Storer is also a part owner of Spotlight, the pay TV programming service that began satellite transmission last year.

Storer sees its own corporate direction as shifting from broadcast TV to cable, a shift that the company says parallels its earlier departure from radio to television, which began in the late 1940s. Although radio stations were once Storer's mainstay, by 1978 the company had completely abandoned that business. In 1981, net revenue for the entire company climbed 40 percent to $276.4 million from the previous year's $197.1 million. Net earnings during the same period rose from $24.8 million to $31.9 million.

Taft Broadcasting Company

1718 Young Street
Cincinnati, OH 45210
(513) 721-1414
Charles S. Mechem Jr., chairman
Dudley S. Taft, president

Cable interests:
- TCI-Taft Cablevision Association—50-50 joint venture which acquires systems (57,000 subs 3/31/82).
- Taft-TCI Programs—50-50 joint venture which develops programming; includes an investment in Black Entertainment Television.

Communication interests:
- Seven Television stations.
- 12 radio stations in nine markets.
- Hanna Barbara Productions.
- Taft Entertainment Company.
- Worldvision Enterprises.
- Four theme parks.
- Titus Productions and Ruby Spears Enterprises.
- Philadelphia Phillies.

During the past year, Taft Broadcasting moved into cable by teaming up with TCI, now the largest MSO in the nation, to pursue programming and franchising efforts together. The TCI-Taft group is restricting its franchise hunt to Michigan and New England. To date, the group has bought eight franchises in those areas, for a total of about 57,000 subscribers. TCI-Taft hopes to reel in about 200,000 subscribers by 1984. Plans in the programming division are less precise. On February 17, TCI-Taft announced that it had acquired a significant investment in Black Entertainment Television. In addition, hints are in the wind about a programming service for children, but nothing concrete has emerged as yet.

As of March 31, 1981, Taft's corporate net revenues reached $239 million, $1.375 million of which were earned by the "other business activities" division that includes the TCI-Taft enterprise. During the first three quarters of the fiscal year that ended March 1982, corporate revenues rose to $307.7 million, up from $194.3 million for the comparable period during the previous fiscal year. Although Taft began in the 19th century as a newspaper publishing company, the corporation has forsaken the newspaper business in favor of the lure of electronic media. Today Taft holdings range from seven television and 12 radio stations to the Taft Entertainment Company (a production firm), Worldvision Enterprises (a distribution firm), amusement parks, motels, campgrounds and travel services. Taft is also involved in real estate development and recently purchased a 47.5 percent interest in the Philadelphia Phillies baseball team.

Tele-Communications Inc.

Box 22595, Wellshire Station
Denver, CO 80222
(303) 771-8200
Bob Magness, chairman of board
John C. Malone, PhD., president and CEO

Cable interests:

- Tele-Communications Inc.—cable systems in 43 states; subscribers: 1,900,000.
- TCI-Taft Cablevision Associates—50-50 joint venture which acquires systems; subscribers: 57,000 (3/31/82).
- Taft-TCI Programs—50-50 joint venture which develops programming; includes an investment in Black Entertainment Television.
- 4/81—acquired Horizon Corporation with 135,000 subs.
- 5/81—acquired Cable Information Systems Inc. with 60,000 subs.
- TKR Cable Company—joint venture with Knight-Ridder; 42,000 subs in 21 communities.
- TCI owns 20% of Spotlight.

Communication interests:

- Western Tele-Communications Inc.—TCI's microwave division; provides common carrier communication services by means of terrestrial microwave video relay systems.

A company that seems to be everywhere at once, this Denver-based firm is currently the nation's largest MSO, with systems in 43 states and 1.9 million subscribers. Last year, corporate revenues jumped to $181.4 million from 1980's $124.4 million, a 45.8 percent leap. Cable operations brought in 92 percent of these revenues, and a microwave division that provides relay systems for interconnection scooped up the rest. TCI registered $12.8 million in net income in 1981, a 55 percent improvement over 1980.

A company that has been especially busy in the area of acquisition, TCI paid $30 million in cash and assumed a $40 million debt to bring Horizon Corporation and its 135,000 subscribers under the TCI umbrella last April. A month later, TCI bought Cable Information Systems Inc. of New York; 60,000 subscribers came along in that package.

TCI also enjoys teaming up with others for franchising and programming exercises. Last year, the company formed separate partnerships with Taft Broadcasting and with Knight-Ridder. TCI-Taft has since acquired eight systems in New England and Michigan, lining up 57,000 subscribers. The TCI-Taft group also has ambitious programming plans. In its first move in that direction, TCI-Taft announced purchasing a significant investment in Black Entertainment Television (BET). The TCI/Knight-Ridder enterprise, called TKR Cable Company, has bought most of Cross Country Cable's New Jersey systems, with 42,000 subscribers in 21 communities. TKR is aiming for 100,000 subscribers by the end of 1982. In yet a third partnership, TCI has joined Storer, Cox and Cablevision Systems in buying shares of Times Mirror's pay TV service, Spotlight.

Time Inc.

Time & Life Bldg. Rockefeller Center
New York, NY 10020
(212) 293-4300
J. Richard Munro, president
Ralph P. Davidson, chairman of board

Cable interests:

- American Television and Communication Corp. (ATC)—1.8 million subs; 125 systems in 33 states.
- Home Box Office.
- Cinemax.
- USA Network—one-third ownership.
- HBO owns six transponders on Hughes' Galaxy I satellite.
- Time Inc. is developing a cable television magazine to distribute program listings (4/82).

Communication interests:

- WOTV, Grand Rapids, MI.
- STV program marketing in Dallas, Boston and Cleveland.
- Time-Life Books.
- Magazine publishing (seven).
- Teletext development.

As the parent company of American Television and Communications Corporation and Home Box Office, Time Inc. owns both the nation's second largest MSO and the pay TV programming service with the highest subscriber level. Time's cable holdings also include Cinemax and a one-third interest in USA Network. In 1980, Time Inc. landed a 135th position in the *Fortune* 500. During the past year, the corporation saw revenues of $3.296 billion. Time's video division revenues rose 33 percent in 1981 to $618 million from $410 million in 1980. Cable activities were responsible for nearly all of this growth. Besides its expansion into cable, the company is also well-known for its line of consumer magazines: flagship *Time, Life, Sports Illustrated, Fortune, Money, Discover* and *People*, as well as its Time-Life Books division.

ATC currently operates 125 cable systems in 33 states, with 1.8 million subscribers. The 1981 acquisition of cable systems in Austin, Texas, and Honolulu added 150,000 subscribers to ATC rolls, and these communities now figure as the company's second and fourth largest systems, respectively. ATC has also met success in its franchising effort. During 1981, the company received contracts to construct and operate systems in several communities, including Indianapolis and Sheboygan, Wis. Denver joined the ATC bandwagon in 1982, awarding its franchise to Mile HI Cablevision, a partnership consisting of ATC, Daniels & Associates and 22 local investors.

On the programming services front, HBO maintains its prominent posture in the industry with more than 8.5 million subscribers. Anticipating further growth, HBO negotiated the purchase of six transponders on Hughes's Galaxy I satellite and is seeking another transponder from RCA. In addition, HBO embarked on a $10 million advertising campaign in 1981, featuring prime-time spots on network television. HBO's programming now includes theatrical productions, which supplement its more conventional cinematic and special events fare. Cinemax, HBO's kid sibling, emerged in 1980 as a new pay TV offering from Time. After a full year of operation, Cinemax has found its way into more than one million households, and the parent company envisions further success as more cable operators begin to introduce multiple pay TV services.

The partial purchase of USA Network, a

programming service that mostly features sporting events, represents the newest programming venture for Time Inc. An advertiser-supported service, USA Network is also owned by Gulf+Western (Paramount Pictures) and MCA Inc. Time hopes to use this venture as a barometer to measure the potential of advertising and pay-per-view for generating cable revenue. To date, advertising clients on USA have ranged from American Express to Ford, Toyota and Xerox.

The Times Mirror Company

Times Square Square
Los Angeles, CA 90053
(800) 421-8603
Otis Chandler, chairman and editor-in-chief
Robert F. Erburu, president and CEO

Cable interests:

- Times Mirror Cablevision—approximately 60 systems in 13 states; total subs: 671,000.
- Spotlight—pay TV service featuring motion picture and entertainment specials.
- Joint venture with Infomart to sell Telidon interactive software in the United States.
- Advanced Information Systems Group—manage videotex experiment in Orange County, Fl. (1981).
- 50% interest in American Cable Television with franchises in Phoenix and other cities.
- Times Mirror Security Communications—tests two-way cable security systems.

Communication interests:

- Five newspapers.
- Book Publishing—Signet, Mentor, Meridian, Abrams, College Text.
- Seven television stations.
- Consumer magazines.
- Scientific chart production.

A corporation built around the 100-year-old *Los Angeles Times*, Times Mirror publishes newspapers, books and magazines, some of which include the recently acquired *Denver Post*, *The Sporting News*, and *Popular Science*, as well as the complete line of New American Library titles. Times Mirror also owns seven television stations and Times Mirror Cable Television, the seventh largest MSO in the nation with 671,000 subscribers in 66 systems. Times Mirror beefed up its Arizona cable interests by acquiring an additional 30 percent share of American Cable Television's operations in that state, changing the TM/American partnership from 80-20 to 50-50.

Last year, Times Mirror spawned a new division for managing both its pay TV service, Spotlight, and a home-shopping test that the company had undertaken with Comp-U-Card. The corporate shifting led to a complete metamorphosis for Spotlight, which now offers programming 24 hours a day and has become the common property of Cox, Storer, TCI, Cablevision Systems and Times Mirror. Company officials recently pulled out of the shopping channel project, citing a necessity to devote more time to Spotlight.

Times Mirror is also banking on the promises of interactive technology. A corporate division named Times Mirror Videotex Services is testing a Telidon videotex system in Southern California. Offering a host of interactive services ranging from information retrieval to electronic mail, the videotex experiment includes 350 participants from Palos Verdes and Mission Viejo. Times Mirror also has begun a joint venture with Infomart, the Canadian-based Telidon company's marketing unit, to sell Telidon interactive software in the United States. In addition, the company recently formed Times Mirror Security Communications to test two-way cable security in its Mission Viejo systems, and other areas throughout Southern California.

Corporate revenues for Times Mirror were $2.13 billion in 1981, 14 percent better than the $1.87 billion seen in 1980, a year that the publishing giant finished 194 on the *Fortune* 500.

Tribune Company

435 N. Michigan Ave.
Chicago, IL 60611
(312) 222-3232
Stanton R. Cook, president
John W. Madigan, executive vice president

Cable interests:

- Tribune Cable Company—systems in nine states; total subs: 100,000.
- Douglas Communication Corporation—subs: 35,000 (3/81).
- Alexandria Cablevision Company—acquired 12/81; total subs: 13,500.
- TCC/United Cable Television—joint venture to seek franchises; currently involved in MI, MD, CA.
- TCC/United Cable Television—awarded first system in Oakland County, MI; total homes: 104,000.

Communication interests:

- Chicago Cubs baseball team.
- Three television stations including WGN-TV.
- Five radio stations.
- Newspaper publishing.

A diverse communications corporation with assets of $1.36 billion and operating revenues of $1.41 billion, the Chicago-based Tribune Company, through its subsidiary Tribune Company Cable Inc. (TCC), maintains franchises in nine states, with a subscriber level of 100,000. The parent firm also owns Chicago "superstation" WGN-TV and recently bought WGN's major broadcast draw, the Chicago Cubs baseball team. In 1981, the corporate division that includes TCC earned $154 million in operating revenues, a figure that combines the company's cable, broadcast and entertainment holdings.

Tribune's major acquisitions in 1981 were directly related to cable expansion strategies. Besides the Cubs, the company picked up Douglas Communications Corporation in January 1981 (finalized in March), with its 35,000 subscribers, nearly doubling TCC's size. In addition, Tribune Cable acquired the Alexandria, Va., cable franchise, bringing in 13,500 more subscribers.

Toward the end of last year, TCC and United Cable agreed to seek several community franchises together: specifically, Oakland County, Mich.; Montgomery County, Md.; and Sacramento, Calif. In March 1982, the TCC/United group won the right for Oakland County's franchise, with 104,000 homes. If the city council follows through, the award would mark the first franchise victory for TCC, the 38th largest MSO in the nation. •

Turner Broadcasting System Inc.

1050 Techwood Drive
Atlanta, GA 30318
(404) 989-8500
R.E. Turner, chairman
Peter A. Dames, senior vice president

Cable interests:

- Cable News Network.
- CNN2.
- WTBS.

Communication interests:

- Atlanta Braves.
- 66% interest in Atlanta Hawks.

The big news from Turner Broadcasting in 1981 was the announcement of plans for another programming service, CNN2. A fast-paced kid brother to the original Cable News Network, CNN2 began transmission on New Year's Eve and now reaches more than a million homes. While CNN delivers the news in depth, CNN2 offers peppy headline glimpses into daily events and mixes them with five-minute local spot avails every half-hour. Initially investing $3 million to start up CNN2, the company expects that the new service could break even by the end of this year or by early 1983. CNN now has 11.5 million viewers nationwide.

Over the past few years, the company has sold two radio stations, a television station and its interest in the Atlanta Chiefs soccer team. Turner's only remaining broadcast property is WTBS, the Atlanta "superstation," which now is carried by 3,941 cable systems with 19.5 million subscribers.

Revenues for WTBS last year hit $55 million, a 36 percent increase over the previous year's $35.5 million. Corporate revenues in 1981, meanwhile, amounted to $95.04 million, a 74 percent gain over the $54.66 million of 1980. Of these revenues, 87 percent, or $83.03 million, were related to cable, a significant increase over 1980's $43.05 million. Corporate assets grew 42.4 percent, finishing at $76.96 million, but income fell 275 percent, resulting in a loss of $13.42 million. The Turner company's sports teams, the Atlanta Braves (baseball) and the Atlanta Hawks (basketball), along with CNN costs, accounted for the deficit.

United Cable Television Corp.

4700 S. Syracuse Parkway
Denver, CO 80237
(303) 779-5999
Gene W. Schneider, president
David R. Van Valkenburg, executive vice president

Cable interests:

- United Cable Television—37 systems in 84 communities in 16 states; total subs: 464,000.
- Joint venture with The Tribune Cable Company (TCC) to seek franchise awards (1981).
- 3/82—franchise granted to TCC/United Cable Television in Oakland Count, MI (104,000 homes).
- 4/82—franchise granted to United Cable in Alameda CA (31,000 homes).
- 1/82—acquisition of Home Entertainment Network (80%), a subsidiary of Buford TV Inc.

The nation's 11th largest MSO, United Cable is exclusively a cable operator. Its 37 systems serve 464,00 subscribers in 84 communities in 16 states. As of May 1981, United hauled in record earnings of $7.90 million, a 21 percent increase over 1980, and racked up $62.8 million in revenues, 41 percent more than in 1980.

An active franchiser, United has scored two recent wins in Arizona, receiving Scottsdale, with 44,000 home Glendale, with 35,000 homes, and one in California, winning Alameda, with 31,000 homes. The company als joined forces with Tribune Cable, pursuing franchises i Sacramento, Calif.; Montgomery County, Md.; and Oakland County, Mich. In March 1982, 64,000-home Oakland County awarded its franchise to the joint venture. In early January 1982, United signed a deal to acquire 80 percent of Home Entertainment Network In a wholly owned subsidiary of Buford TV Inc., for $20 million. Home Entertainment is a subscription televisio operation serving five markets.

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Viacom International Inc.

1211 Avenue of the Americas
New York, NY 10036
(212) 575-5175
Ralph M. Baruch, chairman
Terrence A. Elkes, president

Cable interests:

- Viacom Cablevision—550,000 subs; systems in 13 communities (NY, TN, OH, WI, WA, OR, CA).
- Owns 50% of Showtime with Group W of Westinghouse.
- Cable Health Network.
- Two transponders on Galaxy I.

Communication interests:

- Two television stations.
- Eight radio stations (four AM, four FM).
- Syndicated television properties and feature films.
- Programming, development and production for television.
- Home Video Entertainment
- Plans to purchase Video Corp. of America (subject to approval of board and stockholders, 4/16/82).

All of Viacom's business operations attained record revenues in 1981. The $210 million corporate total surpassed 1980 revenues by 31.5 percent. Net earnings rose to $18.93 million, up 20 percent from 1980's $15.76 million, while assets improved nearly 21 percent, rising to $443.6 million.

A major corporate subsidiary is Viacom Cablevision, which sits among the nation's top ten MSOs with 550,000 subscribers. Last year the 10th largest MSO in the country raked in $85.19 million in revenues, or about 40 percent of those for the entire company. This figure translates into a 28.5 percent increase over 1980's $66.32 million. Moving along with industry trends, Viacom offers its Dayton, Ohio, system home security and emergency services via leased channels and has brought pay-per-view to Nashville, Tenn., and San Francisco subscribers.

On the programming front, Viacom is the company that formed the pay TV service, Showtime, now the second largest service in the country with nearly 2.9 million subscribers. Until 1979 the sole owner of Showtime, Viacom sold a 50 percent stake in the service to Teleprompter for $3 million. Viacom also controls a partial interest in the soon-to-premiere Cable Health Network. In addition, the company has arranged with Hughes to purchase two transponders on the Galaxy satellite, scheduled for a mid-1983 launch.

Viacom International also distributes films and television programming and owns two television and eight radio stations. The corporation recently donated an AM station to the United Negro College Fund. In addition, Viacom recently announced a merger with Video Corporation of America, a video technology company providing services to many communications interests. VCA is also engaged in a joint venture with Sony Corporation in videocassette duplicating.

Walt Disney Productions

500 S. Buena Vista Street
Burbank, CA 91521
(213) 840-1769
E. Cardon Walker, chairman
Ronald W. Miller, president

Cable interests:

- The Disney Channel—50-50 venture with Group W.

Communication interests:

- Walt Disney Motion Picture and Television Production Division.
- Walt Disney Outdoor Recreation Division.
- Walt Disney Telecommunications and Non-Threatrical Division.
- Walt Disney Marketing Division.
- Walt Disney Music Company.
- Wonderland Music Company.

The Disney Productions company has come a long way since the early days of Mickey Mouse. With revenues in 1981 climbing above the billion-dollar mark for the first time, the Disney outfit has decided to embark on a cable programming venture as a 50-50 partner with Westinghouse's Group W Satellite Communications, a service to be called the Disney Channel. Slated for a late-1982 or early-1983 introduction, the Disney Channel will carry family-fare programming drawn from the vast library of Disney films, from other sources, and from all the creative juices that a $100 million new programming budget can cause to flow.

Although the Disney Channel is the corporation's first cable TV enterprise, pay television is already a prime target of the corporate subsidiary, Walt Disney Telecommunications and Non-Theatrical Company, which distributes film and video. Besides distribution activities, Disney is renowned for its motion pictures, Disneyland and Disneyworld. The company is also involved in real estate, music publishing, character merchandising, publications and record manufacturing throughout the world. Company assets rose to $1.61 billion in the fiscal year that ended in September 1981. Disney has also committed approximately $800 million to build EPCOT Center, what the company calls "a monument to man's progress." It is, in fact, a futuristic amusement park built adjacent to Walt Disney World and scheduled to open Oct. 1, 1982. The company will spend an additional $150 million for expansion by the end of the center's first year.

Warner Communications Inc.

75 Rockefeller Plaza
New York, NY 10019
(212) 484-6990
Steven J. Ross, chairman
Emanuel Gerard, president
David H. Horowitz, president

Cable interests:

- Warner Amex Cable Communications—50-50 ownership with American Express Company; 146 systems in 27 states; total subs: 900,000.
- Recent franchises (1981)—suburban Chicago, Dallas, Cincinnati, St. Louis, Pittsburg.
- Joint venture with Atari Inc., Compuserve Inc. and American Express to experiment in Columbus, OH, to research consumer preferences regarding access to four major data banks (*NYT, Washington Post, LA Times*, Associated Press).
- Warner Amex Satellite Entertainment Company (WASEC)—MTV; Nickelodeon; The Movie Channel; agreement to represent all advertising for CNN and CNN 2 with Turner Broadcasting.
- QUBE interactive systems operating in Columbus and Cincinnati, OH, and Pittsburgh.

Warner Communications consists of 26 companies whose operations include consumer electronics and toys, recorded music and music publishing, films, publishing and related distribution, direct-response marketing and cable communications. The breadth of Warner's holdings ranges from the newly acquired Franklin Mint, to recordings, movies, cosmetics, DC Comics, *Mad Magazine*, a professional soccer team, and the immensely successful Atari Corporation, whose Defenders and Pac-Man video games are becoming a new national pastime.

Warner's operations are growing at breakneck speed. Corporate revenues for the first three quarters of fiscal 1981, through September, have already surpassed total revenues for fiscal 1980: $2.15 billion versus $2.06 billion. Net income for fiscal 1981 surged an astounding 65 percent, from 1980's $137.1 million to $226.5 million.

The company first entered cable operations back in 1971, but several years passed before Warner felt at ease with its investment in the new medium. In 1979, a strong boost in this direction came from American Express, when the financial services conglomerate purchased a 50 percent share in Warner Cable for $175 million, forming a new joint venture, Warner Amex. Today, with 146 systems and 900,000 subscribers, Warner Amex is the fifth largest MSO in the nation.

The venture's programming arm, Warner Amex Satellite Entertainment Company, owns The Movie Channel, MTV: Music Television, Nickelodeon, and, with ABC/Hearst, American Repertory Television Service (ARTS). WASEC handles the marketing and distributing activities for ARTS. WASEC will also represent all advertising sales for Turner Broadcasting's CNN projects, making WASEC the largest single seller of cable television advertising. In a related agreement with Turner, WASEC is leasing CNN a transponder on Satcom I.

During the mid-1970s, when most other cable companies were shying away from the expense of interactive technologies, Warner forged ahead with QUBE, which it first introduced to its Columbus, Ohio, subscribers in 1977. Estimates show that from 1977 through 1980 Warner Cable and later, Warner Amex, may have lost $31 million with QUBE, but the service is now beginning to reach a break-even point, just as interactive technologies are starting to gain strong momentum, which gives Warner Amex a highly desirable running start. Through QUBE III, Warner Amex has already brought such services as home security, information retrieval and home shopping to thousands of subscribers. QUBE Security Service, with 5,200 subscribers primarily in Columbus, is not only the largest cable security operation, but it is the fifth largest residential security service in the United States. Warner Amex now offers QUBE in Cincinnati and Pittsburgh as well as Columbus, and QUBE will soon be available in Houston and Dallas.

While Warner Amex closely guards its financial figures, projections show that Warner Communication's revenue share in 1981 may have reached $109.5 million, up 89 percent from the $58.5 million estimated for 1980. Franchise construction costs and QUBE led to an estimated $10 million income loss for Warner's portion of Warner Amex, however, projections indicate that QUBE may show a profit as soon as 1983. On July 1, Warner Communications and American Express replaced their previous guarantee against Warner Amex debts by investing $100 million each in their partnership.

Westinghouse Electric Corp.

Gateway Center
Pittsburgh, PA 15222
(202) 833-5055
R.E. Kirby, chairman
Douglas D. Danforth, vice chairman

Cable interests:

- Group W Satellite Communications (GWSC)—SNC I, II; Nashville Network; The Disney Channel.
- Group W Cable (Teleprompter)—1.6 million subs.
- Showtime (50%).
- Home Theater Network, Home Theater Network Plus.
- Clearview Cable TV; 80,000 subs in GA, FL.

Communication interests:

- Six television stations.
- 12 radio stations.
- Muzak & Filmation Studios.

Nowhere was the mushrooming of cable television more evident last year than in the activities of Westinghouse. The company that finished 34th in the *Fortune* 500, had previously enjoyed a relatively modest involvement in cable as the owner of Clearwater Cable TV, with 80,000-plus subscribers in Georgia and Florida, and as a partner in the pay TV movie service, Home Theater Network.

During 1981, though, Westinghouse's cable complexion completely changed. The company snatched up the number-three MSO in the country, Teleprompter, for $646 million, an acquisition that brought Westinghouse 1.64 million subscribers and a 50 percent interest in Showtime, the second largest satellite-delivered movie service (behind HBO). Muzak and Filmation studios, companies whose products bear no direct relation to cable, also came along in the Teleprompter package. Westinghouse recently announced that Teleprompter will now be called Group W Cable.

Through its Group W division, which handles all broadcasting and cable business. Westinghouse created Group W Satellite Communications (GWSC) to serve as an umbrella division for satellite services. GWSC, in turn, has announced plans to begin three joint programming ventures. The first project, with ABC Video Enterprises, will be known as Satellite News Channels (I and II), 24-hour news services that will intersperse regional spots with national and local coverage. The second venture, with Walt Disney Productions, is the Disney Channel, which will draw from the Disney film library and other sources, offering family programming 16 hours a day. Home Theater Network, meanwhile, has spawned another movie service, Home Theater Network Plus. At the end of June, the original HTN service will cease operation. Another service to begin operation in 1983 is The Nashville Network, a country music venture with NLT Corporation. To transmit its satellite programming, GWSC has entered into agreements with Western Union and Hughes for rights to 14 transponders.

The parent company's 1981 sales climbed to $9.368 billion, with assets of $8.3 billion. Group W revenues for broadcasting and cable together accounted for 5.2 percent of the corporation's overall earnings ,or $431.9 million, up from 1980's $266.5 million.

Wometco Enterprises Inc.

316 N. Miami Ave.
Miami, FL 33128
(305) 579-1200
Mitchell Wolfson, chairman
Charles Simons, acting president

Cable interests:

- Wometco Communications—systems in GA, MS, LA, AL, NY, NC, SC; total subs: 201,000 (includes small system in the Bahamas).

Communication interests:

- Six television stations (four VHF).
- One radio station.
- Wometco Home Theater—over-the-air subscriber service (NY, NJ, CT, PA).

A company that began as a motion picture theater business in Miami in 1925, Wometco today owns six television stations, a radio station, soft drink bottling firms, a vending machine operation, a food service, Seaquarium, an STV business known as Wometco Home Theater, and 43 cable systems, as well as interests in the theater business. The first cable company to offer tiers of service to subscribers, Wometco Communications is the 22nd largest MSO in the nation, with 201,000 subscribers.

In 1981, Wometco revenues rose to $434.3 million from $357.2 million in 1980, a gain of 21.5 percent. This respectable showing pales when compared with its cable division's performance, where revenues jumped to $33.0 million from 1980's $20.4 million, a remarkable 61.9 percent increase.

Rumors are in the air, however, that Wometco may soon be put on the selling block.

Zenith Radio Corporation

1000 Milwaukee Ave.
Glenview, IL 60025
(312) 745-2000
Joseph S. Wright, chairman
Revone W. Kluckman, president and CEO

Cable interests:

- Videotex system technology exploration and development.
- ZTAC addressable converter/decoder system; manufactured and distributed.

This past year, the Chicago-based Zenith corporation sustained a 41 percent drop in net income, from $26.4 million in 1980 to $15.6 million, a loss that the company ascribes to inflation and "industry competitive pricing." Net sales, though, improved slightly, reaching $1.28 billion, an 8 percent gain over last year. The division that houses Zenith's equipment line for the cable industry registered a much stronger performance, increasing its sales to $109 million from 1980's $81 million, nearly a 35 percent improvement.

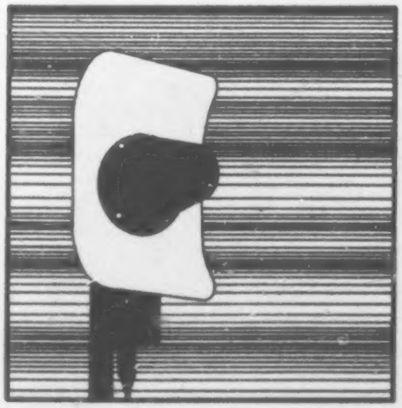
Zenith's cable business centers on the company's Z-TAC addressable converter. The 54-channel Z-TAC will soon be joined by a 120-channel counterpart. By the end of 1982, subscribers to cable systems in 26 communities will be pushing buttons on Z-TAC converters.

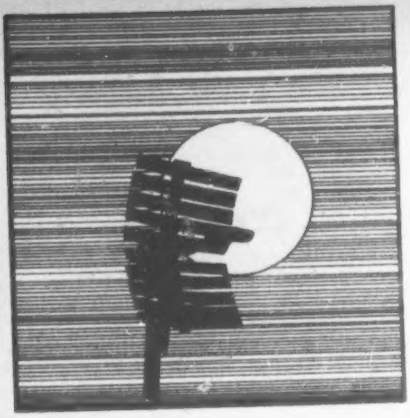
Zenith is also developing products for interactive services and teletext systems. The company supplied the decoder-equipped color TV sets for a videotex experiment in Chicago conducted by Field Communications last year, the first commercial videotex experiment authorized by the FCC. A second videotex trial run using Zenith equipment is underway in Cincinnati. In addition, Zenith has developed the Virtext and Virdata teletext systems for receiving satellite transmission of newswire reports. The company has already shipped about 250 of these systems to cable operators.

Primarily known for its color televisions, Zenith manufactures a range of video and electronic equipment, including VCRs, picture tubes, switching transformers, decoders for STV, and Heathkit electronic "do-it-yourself" kits. Through its data systems division, Zenith produces microcomputers and software. The company is considering dispensing with its audio business, in which case Zenith Radio might want to consider a new name.

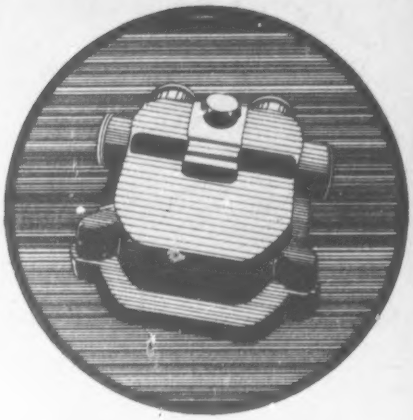
Top 50 financial overview

Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices	
										'81	'80
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	hi/lo	hi/lo
General	27,240	24,959	+9.1	20,942	18,511	+13.1	N/A			69⅞	63
Electric	1,652	1,511	+9.0	N/A			N/A			51⅛	44
Company											
Getty	13,251	10,436	+26.9	9,536.4	8,266.7	+15.3	N/A			93½	108¼
Oil	856.9	871.9	-1.7	N/A			N/A			55¼	65½
General	11,026	9,979	+10.5	21,113.3	19,525	+8.1	110	131	-16	34¼	29¼
Telephone	690	447	+54.4	2,238	2,110	+6.1	1,769	1,673	+5.7	24⅝	23
& Electronics											
Westinghouse	9,367	8,514	+10.	8,316.2	6,815.4	+22	78.1	64.4	+21.3	34½	32½
Electric	438	402	+8.7	431	266	+62	1,376.2	204.5	+57.3	23	19
RCA	8,004.8	8,001.3	0	7,856.7	7,147.6	+9.9	83.1	90.9	-8.6	32¼	33
Corporation	54	315	-82.9	269.8	253.5	+6.4	693.4	579.9	+19.5	16¾	18½
American	7,211	6,366	+13.3	25,103	22,608	+11	-10	0		54⅜	40⅜
Express	518	462	+12.1	109.5	58	+88.8	N/A			37½	25¼
Company											
Gulf+	5,702.5	5,338.5	+6.8	5,893.2	5,416.8	+8.7	N/A			22⅛	18⅝
Western	290.9	255.3	+13.9	N/A			N/A			14	10⅞
Industries											
CBS Inc.	4,125.9	4,062.1	+1.5	2,425.6	2,301.2	+5.4	299.6	248.8	+20.6	61.25	55.75
	163.8	193	-15.1	1,919.9	1,701.4	+12.8	N/A	641.8		46	50.25
The Penn	3,348.8	2,013.7	+66	3,394.9	2,726	+24.5	18.7			32⅝	21⅝
Central Corp.	168.7	93.6	+80	286.6			374.9			31⅝	9⅜
Time	3,296.4	2,800	+17.7	2,754.8	2,322.6	+18.6	123	93	+32.2	41⅜	31 9/16
Inc.	148.8	141.2	+5.4	618	410	+50.7	863	597	+44.5	26⅝	19

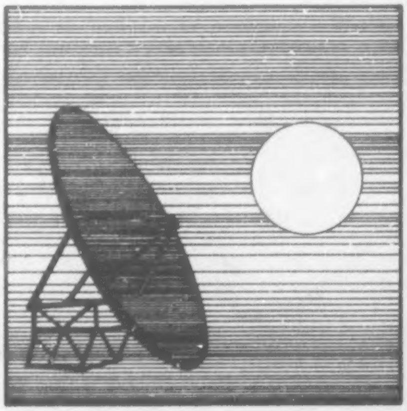


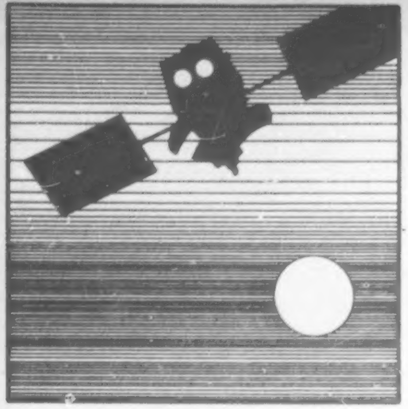


Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices	
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	'81 hi/lo	'80 hi/lo
Warner Comm. Inc	3,237.2	2,059	+57.2	2,673.6	1,768.8	+51.2	-10.0	0		58⅝	40¾
	226.5	137.1	+65.2	109.5	58	+88.8	N/A			35⅝	17¼
North American Philips Corp.	3,030.4	2,171.4	+39.5	1,854.1	1,517.9	+22.1	43.3	34.3	+26.3	59⅝	39⅞
	104	74.5	+39.6	690.8	529.9	+30.3	346.8	307.4	+12.8	35¾	23½
American Broadcasting Companies	2,443.7	2,280.4	+7.2	1,588.3	1,418.3	+12.0	N/A			38¼	39¼
	146.3	146.3	+0	N/A			N/A			27	25⅝
Times Mirror Company	2,130.8	1,868.9	+14.0	1,917.2	1,734.8	+10.5	64.2	47.2	+35.8	N/A	45⅝
	N/A	139.2	—	190.6	139.9	+36.2	421.9	338.7	+24.6	N/A	28¾
Pioneer Electronic Corp.	1,433.8	1,320.0	+8.6	1,158.6	918.1	+26					
	63.8	86.2	-25.9	94.3	74.0	+27					
Tribune Company	1,406.3	1,233.3	+14.0	1,363.9	1,071.3	+27.3	27.1	25.5	+6.2	N/A	
	9.1	78.0	+14.2	154.1	126.0	+22.3	267.2	144.8	+84.5		
MCA Inc.	1,329.0	1,297.1	+2.5	1,367.7	1,390.6	-1.6				59	57¾
	89.8	137.6	-34.8	N/A						38⅝	44⅛
Zenith Radio Corp.	1,275.2	1,185.9	+7.5	743.2	655.4	+13.4	N/A			21½	21¼
	15.6	26.4	-40.9	109.0	81.0	+34.5				10¼	7⅞
Knight-Ridder Newspapers Inc.	1,237.1	1,098.5	+12.6	984.7	862.4	+14.2	N/A			41¾	32⅛
	100.4	92.9	+8.1		N/A†			N/A†		26¾	19⅛
Sammons Enterprises	N/A	1,200	—	N/A	945	—	7.1	3.4	+108		
	N/A	48.0	—	59.5	50.2	+18.5	106.2	97.4	+9	Private firm	

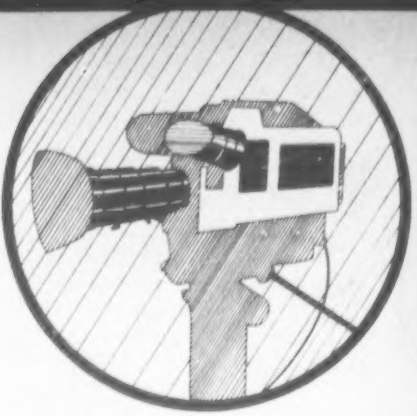


Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices	
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	'81 hi/lo	'80 hi/lo
Central Telephone & Utilities Corp.	1,020.4	895.3	+13.9	2,036.3	1,899	+7.2	17.3	15.1	+15.2	35.75	27.87
	104.5	91.9	+13.7	155.8	129.4	+20.4	137.4	71.4	+92.7	23.12	21.25
Walt Disney Productions	1,005	914.5	+9.9	1,610.0	1,347.4	+19.5		N/A		67⅛	53⅞
	121.5	135.2	-10.1		N/A			N/A		41¾	35½
New York Times Co	845.2	733.2	+15.3	598.9	449.5	+33.2	3.5	3.8	-8.2	38½	38
	50.0	40.6	+23.1	36.8	17.3	+113.2	133.8	48.4	+176.1	26½	18
General Instrument Corp.	698.6	618.6	+12.9	734.6	642.6	+14.3	82.3	36.2	+127.5	97½	54
	65.5	49.3	+33.0	301.3	193.2	+56	107.1	76.9	+39.3	74¼	40¾
Insilco Corp.	684.9	641.8	+6.7	594.9	537.5	+10.7	7	5.2	+34.5	23⅛	23⅜
	34	30.4	+11.7	120	100.3	+19.6	69.4	51	+36.0	14⅛	10¼
Dow Jones & Co.	641	530.7	+20.8	532.1	396.6	+34.2		N/A		N/A	
	71.4	58.9	+21.2		N/A			N/A		N/A	
Capital Cities Comm. Inc.	573.8	472.1	+21.5	697.6	520	34.2	(3.1)	(2.5)	-22.3	80½	72
	80.5	70.8	+13.7	21.4	.03	+712.3*	186	9	+1,964*	56½	40
M/A-COM Inc.	514.7	341.5	+50.7	517.7	260.1	+99.	30.	18.0	+66.2	35½	25¾
	40.3	26.7	+51.	180.5	108.9	+65.7	95.3	70.4	+35.3	20¾	7¾
Oak Industries	507.1	385.6	+31.5	609.3	408.7	+49.1	53.8	32.6	+65.3	38½	25½
	30.4	20.1	+51.5	260.5	161.4	+61.5	291	130	+123.7	21⅛	13¼
Rollins Inc.	454.6	400.4	+14	313.5	281.0	+12	18.3	16.2	+13	22½	15⅞
	44.4	35.3	+26	62.1	54.7	+13.5	52.6	45.9	+14	13⅜	17⅞

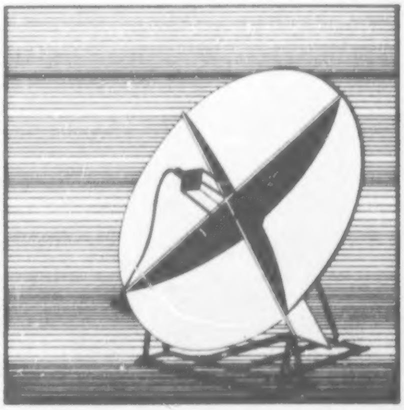


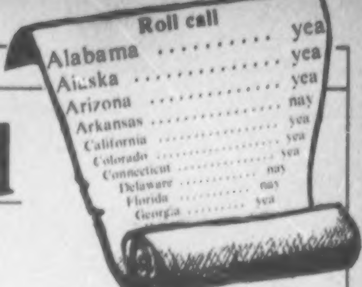


Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices	
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	'81 hi/lo	'80 hi/lo
Anixter	441.5	363.6	+21	198.3	161.6	+23		N/A		20.5	8.81
Brothers Inc.	18.5	15.3	+21		N/A			N/A		8.75	3.5
Wometco	434.2	357.2	+21.5	448.2	337.6	+32.7	4.7	3.5	+33.3	25¼	17⅝
Enterprises Inc.	24.4	20.8	+17.3	33	20.4	+61.9	95.9	63.2	+51.9	14¾	9⅝
Cox Comm. Inc.	403.5	309.2	+30.5	604.4	461.3	+31	30.5	21.8	+39.7	39⅛	30⅝
	55.5	56.4	-1.6	188.5	125.9	+49.7	391.1	252.5	+54.9	27⅛	15
Playboy	388.9	363.2	+7	291.9	320.5	-8.9		N/A		17⅜	19½
Enterprises Inc.	14.3	13.1	+9.7		N/A			N/A		10½	11
Harte-Hanks	348.5	303.7	+14.8	397.8	341.2	+16.5	16.5	16.5	0	40¾	35
Comm. Inc.	25.4	22.7	+11.7	68	62.2	+9.3	128.2	116.4	+10.1	29	19⅝
Taft	307.7	194.3	+58.3	626.4	544.9	+14.9		N/A		34	35¼
Broadcasting Co.	36.5	29.3	+38.5		N/A			N/A		24¼	20
Scientific-	277.3	192	+44.4	197.2	138.9	+42		N/A		34.75	14.38
Atlanta Inc.	19	12.7	+49.4		N/A			N/A		12.63	6.5
Storer	276.4	197.1	+40.3	844.6	505.8	+67	5	5.2	-3.5	43	43
Broadcasting Co	31.9	24.8	+28.5	132.7	68.3	+94.2	629.1	335.6	+87.5	23¾	36
Affiliated	236	206.5	+14.3	125.6	105	+19.7		N/A		N/A	32½
Publications Inc.	14.2	12.9	+10.5		N/A			N/A		N/A	14½
Viacom	210.4	160.1	+31.5	443.6	367.9	+20.6	15.7	14.8	+6.2	32½	29½
International	18.9	15.8	+20.1	85.2	66.3	+28.5	150.1	99.9	+50.2	22	15 5/6



Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices	
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	'81 hi/lo	'80 hi/lo
Multimedia Inc.	195.3	163.6	+19	256.1	211.1	+21	3.3	1	+233.2	37¼	32
	25.8	21.6	+19.5	19.4	8.9	+117	76.9	38.6	+99.5	27	15
Tele-Communications Inc.	181.4	124.4	+45.8	608.3	348.6	+75.	30	19.7	+52.2	31¾	29¾
	12.8	8.3	+55.6	167.7	111.9	+49.9	574.2	275.7	+108.3	16⅝	7⅜
Augat Inc.	173.9	161.6	+7.6	166.5	149.4	+11.4		N/A		34	31.33
	20.1	18.3	+10.1	N/A			N/A			23¾	14.17
Burnup & Simms	167.4	152	+10.2	139.9	104.9	+33.4	8.2	5.5	+48.4	17⅞	11½
	6	5.9	+1.3	89.9	50.1	+79.6	31.8	23.9	+32.7	8½	5⅜
Continental Copper & Steel Ind.	165.5	180.7	-8.4	96.4	101.4	-4.9	2.4	5.7	-58.3	8½	8⅞
	6.7	4.5	+49.5	106.8	122.3	-12.7	52.2	52.4	-.45	5¾	5
Rogers Cablesystems Inc.	109.6	70	+56.5	421.3	306.2	+37.6		N/A		13.25	14.63
	2.6	12.4	-79		N/A			N/A		5.63	4.38
Turner Broadcasting System	95	54.6	-74	77	54	+42.4	6.9	5.9	+218.2		N/A
	(13.4)	(3.6)	-275.5	83	42.7	+94.4	47.1	34.5	+36.8		N/A
Scripps-Howard Broadcasting Co.	87.3	77	+13.4	112.8	93.3	+20.9		N/A		23¼	16½
	19.2	16.5	+16.6		N/A			N/A		11⅝	12¾
Heritage Comm. Inc.	77.2	25.1	+207.6	111.8	67.3	+66.2	6.2	2.7	+130.5	16½	18¼
	3.8	1.8	+113.7	27.5	13.8	+98.3	72.9	55.9	+30.4	8	5⅞
United Cable Television Corp.	62.8	44.7	+40.6	155.4	98.3	+58		N/A		36¾	16¼
	7.9	6.5	+21.2		N/A			N/A		14⅞	7⅝




Roll call
yea
Alabama .... yea
Alaska .... yea
Arizona .... nay
Arkansas .... yea
California .... yea
Colorado .... yea
Connecticut .... nay
Delaware .... nay
Florida .... yea
Georgia ....

Legislative scorecard

Cable measures attracting extra attention as states pass, table and debate a variety of legal propositions

> *"While we are watching the federal eagle, the state ducks are nibbling us to death."*
>
> *—Thomas Wheeler, president, National Cable Television Association*

WASHINGTON—This year, state houses across the country have been flooded with more bills regarding cable than ever before. Much of the legislation carries broad regulatory ramifications or attempts to derive revenue from cable.

Industry representatives have seen a shift from an era of legislation primarily involving franchising, pole attachment regulation and state authority over cable to a period which includes bills to tax cable services, curb "indecent" programming, establish municipal ownership and declare cable to be a public utility.

This growing tide of state legislation led the National Cable Television Association to set up a state government relations office last February. Director Jim Ewalt and assistant director Jude Hastings predict there will be nearly 200 bills relating to the cable industry introduced in state legislatures by the end of May, nearly twice the number introduced by the same time last year.

As of April 1, 155 cable bills had been introduced, according to the NCTA state office. The number of bills this year carries even greater significance because six states (Arkansas, Montana, Nevada, North Dakota, Oregon and Texas) are not holding legislative sessions, while others have short sessions due to upcoming elections. The majority of the states have now ended their 1982 sessions.

Cable's new federalism

Fueling the growth of state cable legislation, Ewalt believes, is the mood of the "new federalism." President Reagan's pronouncements of a new federalism, in which the responsibility for federal programs would be shifted from the federal to the state and local level, may precipitate even more bills to place cable under the jurisdiction of PUCs and to raise tax revenues from cable services, Ewalt said.

"There's a new emphasis on the states," Ewalt said. "I think there are three main factors contributing to it. The federal government is getting out of the business of regulating, and states seem to be moving in to fill that void. And—related to the new federalism—as there are less federal dollars available, the states see cable as a new source of revenue. The third factor is the heightened visibility of cable: now you can read about it everywhere."

Nine bills involving some form of government ownership over cable systems were introduced this year, according to NCTA data compiled between January 1 and April 9. Two states, Alabama and South Dakota, approved municipal ownership, but their measures allow it only on a limited basis. The Alabama bill permits the rural town of Sardis to establish a municipal cable corporation, while the South Dakota measure allows municipal ownership only if a city already owns a power or telephone company.

Minnesota lawmakers approved a 5 percent sales tax on cable service, as well as on MDS, STV and MATV systems; it goes into effect May 1. Overall, nine state bills were introduced to tack a sales tax on cable services, while nine other taxation measures affecting the industry were drawn up.

Bills to place cable under the jurisdiction of PUCs have been long-running battles in some states. In Illinois, for example, industry representatives have successfully thwarted a PUC bill every year since 1967. This year, nine PUC bills were introduced, though none appear to be poised for approval.

However, a major battle is still brewing on a far-reaching bill in California that goes beyond standard PUC measures. The Cable Communications Act of 1982 (AB 2742), introduced by assemblyman Richard Robinson (D-Santa Ana), would declare cable communications systems to be public utilities, subject to state regulation by the California Public Utilities Commission. Spencer Kaitz, executive director of the California Cable Television Association, quite simply calls the measure "the most devastating legislation ever proposed for cable television."

The California utility bill has drawn widespread attention, largely because the state is considered one of the trendsetters for cable legislation. Hearings on the bill have been delayed twice and are scheduled for May 10.

A fight over similar utility legislation, which drew less attention, was waged in West Virginia. Governor Jay Rockefeller backed one of three measures to treat cable systems as public utilities. None of the measures made it out of committee. "But governor Rockefeller is still not convinced that cable shouldn't be a public utility," said Sue Talbott, president of the West Virginia Cable Television Association.

"Indecent" bills

Obscenity bills grabbed a lot of headlines during recent legislative sessions and caused a great deal of worry in the industry, but bills to ban "indecent" programming never got too far in most states. The most significant bill is pending in Utah, where an obscenity bill which passed last year was struck down in court. Anti-pornography backers persist, however, and are seeking a measure this year which could withstand legal threats.

Because it was an election year, obscenity bills progressed further than they might have otherwise. As Paul Cianelli, executive director of the New England Cable Television Association, said, "The politician doesn't want to look as though he's supporting pornography."

A similar sticky political situation occurred in Arizona, state association executive director Susan Bitter Smith reported. A conservative group called Citizens for Decency in Law backed an adult programming prohibition which legislators found politically difficult to avoid. Finally the House Rules Committee declared the measure unconstitutional.

Pornography bills were also introduced in California, Florida, Massachusetts, Minnesota, Missouri, New Jersey and New York. All of the measures in these states are essentially dead, although some association heads believe the bills may resurface.

States also have demonstrated a growing interest in privacy legislation. Ten privacy bills were introduced in recent sessions, more than in previous years. Wisconsin became the second state to set privacy standards, following Illinois' lead.

While state associations spent far more time battling legislation, some found that the increased awareness of cable issues, plus the friendships that develop through lobbying, has won them some friends. There was wider support for theft-of-service measures, though none of nine bills introduced this year has met final approval. A theft of service bill is pending in California that would crack down on that state's growing decoder business.

Franchise renewal bills

The legislative year also brought indications of state support for bills highly favored by operators: franchise renewal measures. Legislation in Massachusetts and California—two states considered national barometers of regulatory trends—sought to make it more difficult to toss out an incumbent cable company at franchise renewal time, provided the company met certain standards.

Neither renewal bill looks as though it has a chance of passing this year. But cable associations for both states were pleased that the measures were considered and will push them again in following sessions. New England association head Cianelli said renewal legislation will be his organization's "number one priority" in Massachusetts.

Also in cable's favor, Minnesota and Virginia passed legislation prohibiting landlords from denying cable companies' access to multiple dwelling units, such as apartments and condominiums. Florida lawmakers amended a landlord/tenant law passed last year regarding condos, so that it now includes apartments and mobile homes. However, rental apartment lobbyists were able to water down the amended Florida bill with certain loopholes, according to state association executive director Thomas Gilchrist Jr.

While cable operators worry about creeping government intervention, legislators in three states introduced measures to prohibit municipal ownership. However the bills, in Arizona, California and New Jersey, have not gotten far.

Boulder influence

'Landmark decision' by Supreme Court leaves cable industry tied in knots

It has been called a landmark decision. It has also been referred to as a legislative nightmare. The potential results have been described as "devastating," with effects on franchised businesses ranging from cable television to garbage collection.

Such has been the hyperbole surrounding the Supreme Court's ruling last January that municipalities are not exempt from antitrust laws unless they are furthering "a clearly articulated and affirmatively expressed state policy." Once the local governments distilled down the language, they came to realize that they are just as subject to antitrust suits as private business is in certain matters.

What the effect will be on garbage collection does not warrant attention here. It is the granting of an exclusive cable franchise that has many local and state governments up in arms and has attracted the attention of the entire cable industry. As a result of the ambiguity that many communications lawyers and industry observers claim the decision has wrought, municipal representatives are pushing for legislation at the state level that would give them the necessary authority to grant exclusive franchises for cable without the fear of a lawsuit.

In a recent article of *CableVision* (*CV*, 3/15/82, p.62), Howard Gan, general counsel of the Cable Television Information Center, stated that only 11 states "provide for cable television regulation, while 15 others have conferred some form of cable TV franchising or regulatory authority on local governments." Twenty-four states, therefore, have not granted specific cable regulatory authority to local governments.

"It is apparent that in these 24 states, municipal actions are clearly not exempt from antitrust scrutiny," Gan said.

But the states are beginning to wise up. The need to protect local governments from lawsuits is finding its way to state houses.

However, the process of introducing or even discussing such legislation is regarded as a touchy subject. "It's an issue that legislators want to take up on one hand and ignore on the other," said one cable association president.

"No legislation has moved in Pennsylvania," said Stanley Singer, executive director of the cable association there, "but in light of the Boulder decision, we're trying to hammer out an agreement with the legislature to give communities the right to franchise.

Legislatures in the past have typically been slow in terms of cable issues, but as the industry continues to expand, most are cognizant of the need to address many facets of cable regulation and deregulation and realize the potential confusion the Boulder backlash could cause. As a result, state representatives and senators are introducing legislation they feel is appropriate. Presently, three states—Maryland, Michigan and Virginia—have adopted what has been referred to as "Boulder type" legislation. Ten more states have similar legislation currently introduced and under debate. A number of other states are considering developing similar laws with Wisconsin, Colorado, California, Pennsylvania and Kentucky among those in the forefront.

Unfortunately, some of the legislation designed to offset this potential crisis for local municipalities has fostered additional language which in some cases could give local jurisdictions too much authority to govern cable systems. Indeed, some legislatures are taking advantage of the pressure to get such a bill introduced and passed before opponents can mount a lobbying effort against it and in the process, inserting powerful language which establishes further regulation over cable systems.

State cable associations are advising their local operators to approach the Boulder bills cautiously. They urge a complete scrutiny of the language involved. The ultimate result is a corresponding delay in franchise awards. "Because of all this, cities and municipalities are putting off decisions on cable franchises because they are fearful of a lawsuit," said one state executive director. "Right now, I feel like we're kind of in a cable twilight zone."

The legislative scorecard indicates a near dead heat regarding rate regulation and deregulation. Five measures were introduced favoring rate regulation and six sought deregulation. Proponents on both sides are not likely to score any legislative victories, however.

Minnesota had a unique franchise deregulation measure signed into law. The resolution provides an option for cities with cable systems carrying less than 1,000 subscribers to opt out of the state franchise certification process.

Finally, 1982 is unique in that the legislative scorecard contains 10 "Boulder bills": legislation to offset the possible legal ramifications of the U.S. Supreme Court's ruling that municipalities are not exempt from antitrust laws when granting exclusive franchises. Maryland, Michigan and Virginia each passed measures to protect their local governments in some way.

—Craig Leddy and Peter Evanow

Legislative list

As of April 1, 1982, approximately 155 individual cable-related bills have been introduced in the States. They are categorized as follows:

Access Channels	**6**
Access to Buildings	**6**
Franchise Authority	**17***
Franchise Fees	**3**
Franchise Requirements	**4**
Franchise Renewals	**2**
Government Ownership	**9**
Line Extension	**3**
Media Crossownership	**3**
Pole Attachments	**6**
Privacy	**10**
Program Content	**11**
Rate Regulation	**5**
Rate Deregulation	**6**
Regulation	**5**
State/PUC Regulation	**9**
Taxation	**6**
Sales Tax	**9**
Property Tax	**3**
Theft of Service	**9**
Other	**30**
Total	**162****

- **10 of these bills are Boulder-type legislation**

**** Number reflects bills covering more than one topic**

Chart courtesy of National Cable Television Association

Legislation roundup

Alabama

Approved: H.B. 368. Authorizes the town of Sardis to establish a municipal corporation to operate a cable television system.

Pending: S.B. 368. Gives small cities the right to issue franchises.

Alaska

Alaska has long worked toward a balanced communications policy and is currently considering measures to create a state communications office to oversee the planning and implementation of all communications policy, including cable. The state is also undergoing a three-year trial period of rates free of regulation, and the cable association hopes to extend the deregulation period. "What's on the horizon is continual economic deregulation for cable television in Alaska," association president Bob Gould said.

Pending: H.B. 535. Criminal penalties for theft of service; not likely to pass.

Arizona

Failed: H.B. 2510. Precludes adult programming from being shown on cable TV; House Rules Committee ruled unconstitutional.

H.B. 2383, Deregulation measure, including a ban on municipal ownership, prohibitions on program content control by a licensing authority (county or city) 5 percent franchise fee limit, prohibitions on regulating subscriber rates.

California

Many far-reaching bills are still pending before the California legislature, and hearings on some will be held this month.

Pending: A.B. 2742. The Cable Communications Act of 1982 would declare cable systems to be public utilities subject to regulation by the California PUC, would establish procedures to publicly allocate franchise fees and 10 percent of gross revenues and mandate programming services; hearing May 10.

A.B. 2735, A.B. 2892, A.B. 2897. Privacy legislation hearing May 10

A.B. 699, A.B. 2321, A.B. 2778, A.B. 3685. All relate to giving operators the option of joining a rate deregulation program; hearing May 10.

A.B. 2796. Would encourage all forms of cable ownership; taken off calendar.

A.B. 2725. Requires 90-day pole clearance by utilities; dropped by author.

A.B. 3130. A Boulder bill containing franchise renewal protections; taken off calendar.

A.B. 2348. Established a sales tax on the leasing of videotapes and films; language affecting cable is expected to be edited out.

S.B. 1505. Civil and penal remedies for theft of services; in Senate Finance Committee.

S.B. 1700. Curbs "indecent" programming via cable; referred for interim study

S.B. 1908. Franchiser can award exclusive franchises and set regulations regarding rates.

Colorado

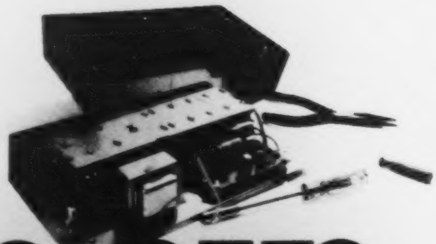
Cable legislation has been relatively non-existent here, although there was consideration of a bill that would have allowed the public utility commission to regulate cable systems. However, the state cable association effectively "put the reins to that one," according to one member. Colorado is considering some form of legislation as a result fo the Boulder decision, which helped put Colorado on most cable operators' maps as being more than just "ski country."

Connecticut

Legislation pertaining to cable has been introduced in the form of eight bills. This state is the most heavily regulated, with cable under the thumb of the Department of Public Utility Control. However, only one bill introduced has passed so far. Queried about being regulated by the state utility commission, Michael Dorfsman, executive director of the Connecticut Cable Television Association, called it interesting. "We benefit by the state's technical expertise as it affects cable," he said. "There are staff members who understand signal leakage and those types of problems."

Approved: H.B. 85418. This bill provides for free service to schools and libraries. Late language tacked onto the bill also forces cable operators seeking to transfer or sell their systems to obtain approval from the Department of Public Utility Control. The DPUC must consider the ownership of the pending purchaser.

Failed: H.B. 5255. This bill would



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have imposed a personal property tax on cable, but reduce the gross earnings tax, the latter a state tax (currently at 9 percent). The personal property tax would have provided municipalities instead of the state with revenues and thus failed to get out of the committee.

H.B. 5416. This bill would have removed the requirement of cable companies to mail their program guides by the first of the month. Cable companies contended that they do this anyway, but the bill died because of opposition from the DPUC which wanted that requirement to remain.

Pending: H.B. 5462. This bill has been rewritten several times, originally appearing as legislation which would have provided cable access to rural, low density areas. As first introduced, if 10 percent of an unwired rural area petitioned the DPUC for cable services, the franchised system had to offer service within six months. This was later changed to 20 percent with a requirement that the rural area had to have a density of 85 homes per mile. In addition, a clause was added that in areas where there were only 30 homes or less per mile, a local phone company could provide service. Ironically, this language was erased with an entirely different amendment inserted. In part, it stated that if a customer wants to hook up a second TV set to his cable, he could do it on his own and with no subsequent charge from the cable system. The state association opposed this on the grounds that if a customer used his own cable and converter, there was the danger of signal leakage. In addition, as a result of lost revenue since the subscriber was not charged a "second outlet" fee, the state stands to lose $280,000 in its share of potential revenues.

H.B. 5501. This bill states that if a cable company does not extend its service in compliance with DPUC regulation, its rate of return can be penalized. This bill is at a relative standstill at present.

H.B 5562. The one is primarily a formality. It states that if there is a holding company that owns the cable system in Connecticut, it must file an annual report with the DPUC.

H.B. 5566. This bill, which later became S. 310, essentially limits franchise durations to 15 years.

In addition, the Connecticut legislature considered adding a sales tax to cable systems. Dorfsman contends that a further tax simply would be too much. "Along with the phone company, cable is the highest taxed outlet in Connecticut, paying 9 percent. All the other utilities pay 5 percent, but they do not pay a personal property tax."

Delaware

No cable-related bills introduced. Cable is already under regulation by the state.

Florida

Approved: H.B. 1075. Amended measure approved last year to prohibit landlords from denying cable companies access to apartment buildings and mobile home parks as well as condominiums.

Defeated: S. 157. Would make it a first-degree misdemeanor for cable systems to air R- and X-rated programs between 6 a.m. and 10 p.m.

Georgia

Only one bill is pending before the Georgia legislature, which will only affect the city of Covington. U.B. 1471 states that if the cable system serving this city is sold it must first be approved by the city's voters.

Hawaii

The legislature recently closed a session in which no cable-related bills were considered. In the past two sessions, legislators have attempted to institute PUC legislation. But this year such bills were not attempted.

Idaho

Approved: S.1287. Gives the Idaho Public Utilities Commission jurisdiction over pole rates, without the federal formula; signed into law by governor.

S. 1269. Authorizes cable television for occupied state highway right-of ways: signed into law by governor.

Illinois

The current session is for emergency legislation only, so the two bills pending will probably not make it out of committee.

Pending: H.B. 2284. Prohibits landlords from denying access to cable companies when wiring condominiums.

H.B. 2510, S. 1484. Gives the Illinois PUC authority to license and regulate cable systems.

Iowa

There is a proposal pending to add a 3 percent tax on cable and interstate telephone calls. This bill is quickly winning favor from legislators who want to tap some of cable's revenues to help line their rapidly depleting state coffers. However, according to an Iowa cable association member, the lobbying effort against this tax is succeeding in "keeping it at bay. All indications are that it won't pass this year. The legislature wants to adjourn."

He does, however, see the bill returning to Iowa and appearing around the country. "All cable operators are going to have to deal with it as states begin to, or continue to, introduce such a bill."

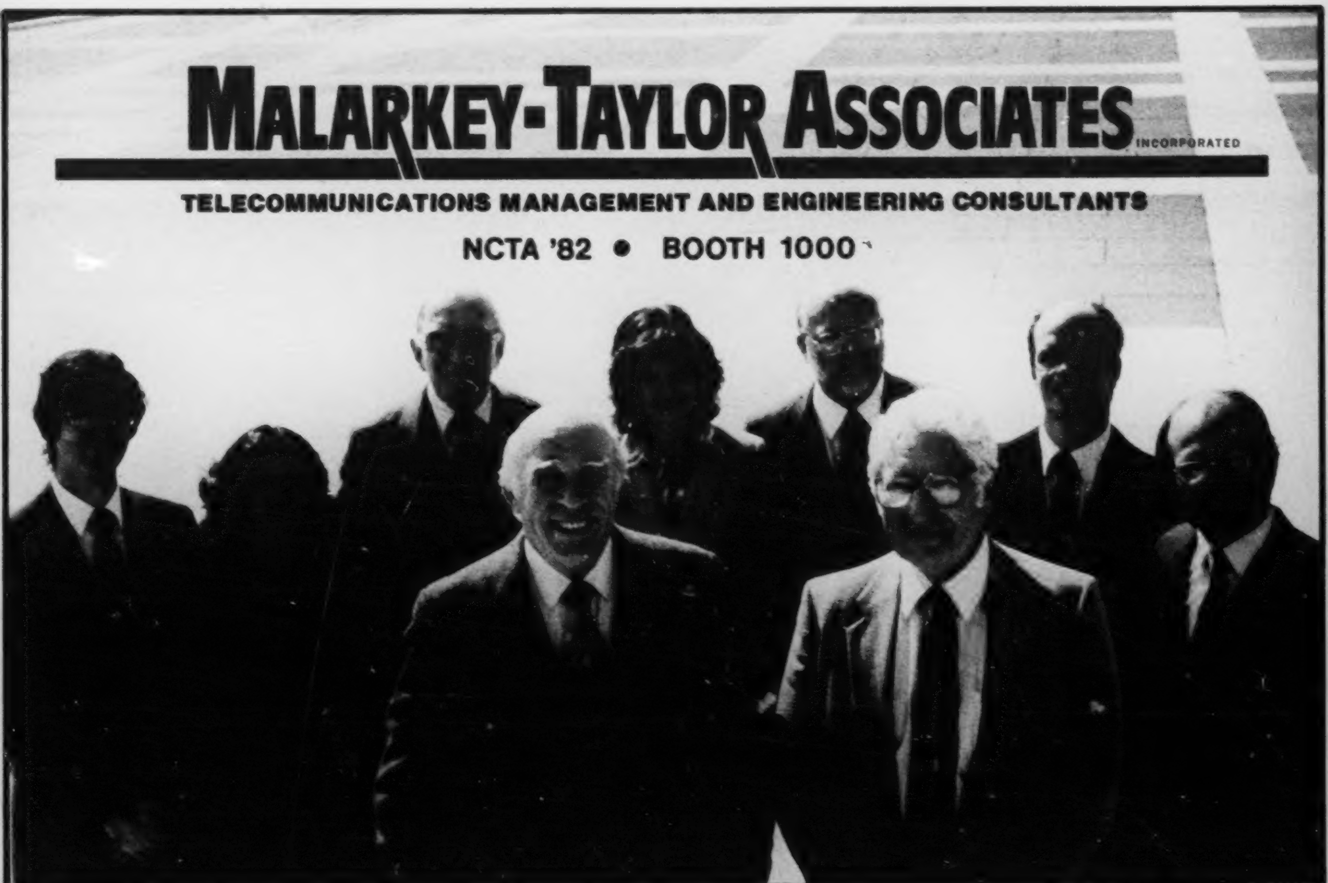
Kansas

Approved: H.B. 2492. Landlord/tenant legislation: passed and expected to be signed by the governor.

Failed: S.B. 759. Would place pole attachment under the jurisdiction of the Kansas Corporation Commission.

Kentucky

The state legislature has adjourned here, and according to cable veteran Patsy Judd, executive director of Kentucky's cable association, "Luckily, the bad ones didn't pass. The legis-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State, regional associations' executive directors and presidents

Alabama and Southern—Otto Miller, executive director, 205/758-2157
Alaska—Bob Gould, president, 907/276-0400
Arizona—Susan Bitter Smith, executive director, 602/257-9338
Arkansas—William Glasscock, executive director, 501/661-7676
California—Spencer Kaitz, executive director, 415/881-0211
Colorado—Glen Pendergraft, president, 303/336-2560
Connecticut—Michael Dorfsman, executive director, 203/793-0650
Florida—Thomas Gilchrist Jr., executive director, 813/688-3787 or 6153
Georgia—Marian Smith, president, 912/354-7531
Hawaii—Lloyd Char, president, 808/847-5971
Idaho—Dave Reynolds, president, 208/375-8288
Illinois/Indiana—Shirley Watson, executive director, 618/249-6263
Iowa—Gary Williams, president, 712/233-2000
Kentucky—Patsy Judd, executive director, 502/864-5352
Louisiana—Fred Dowdy, president, 504/446-8444
Maryland/Delaware—Charles Ross, executive director, 301/332-4088
Michigan—Sandy Applegate, president, 313/235-6112
Mid-America (Kansas/Nebraska)—Rob Marshall, executive director, 913/887-6119
Minnesota—Michael Martin, executive director, 612/861-1166
Mississippi—Charles Haley, president, 601/859-2835
Missouri—Charlie Broomfield, executive director, 816/453-3392
Montana—Walt McCall, president, 406/727-8881
New England—Paul Cianelli, executive director, 603/224-3373
New Jersey—Nancy Becker, executive secretary, 609/394-7477
New Mexico—Eddie Pena, president, 505/287-9451
New York—Dick Alteri, president, 518/463-6676
North Carolina—Wade Hargrove, executive secretary, 919/821-4711
North Dakota—Carl Zeller, president, 701/223-4000
Ohio—Dan Helmick, executive director, 614/461-4014
Oklahoma—Jay Allbaugh, executive director, 405/721-6377
Oregon—Michael Dewey, executive secretary, 503/581-2845
Pacific Northwest—Bill Thompson, president, 509/337-6532
Pennsylvania—Stanley Singer, executive director, 717/234-2190
Rocky Mountain—Ray Polvadore, president, 505/982-1968
South Carolina—Robert Scott, president, 803/785-5175
South Dakota—James Oswald, secretary/treasurer, 605/343-3402
Tennessee—Ruth Jean Sharp, executive secretary, 502/651-2872
Texas—Bill Arnold, executive director, 512/474-2082
Utah—Mark Carter, secretary/treasurer, 801/486-4361
Virginia—Richard Carlton, executive director, 804/358-7060
Washington—Jerry Buzzard, executive director, 206/943-3161
West Virginia—Sue Talbott, president, 304/847-2888
Wisconsin—Tom Hanson, executive director, 608/256-5299
Wyoming—Ron Ridgley, president, 307/765-9248

lature was out for money."

Approved: H.B. 611. This bill requires Kentucky cable systems to carry one Kentucky commercial station and one educational station. Under must-carry rules, the systems are supposed to carry these Kentucky stations; however, some systems are not doing so. The imposition of a $100 per-day fine was added to strengthen the bill.

H.B. 807. Called the Property Valuation Administrator's Bill, this bill gives the state revenue department authority to assess cable systems for property tax by the state. According to Judd, this policy has always been in effect, but this bill simply made specific reference to cable.

Failed: H.R. 81. This bill would have requested the Legislative Research Commission to appoint a subcommittee on business organizations and professions to study cable and make a report to the full committee by July 1, 1983.

H.B. 772. This bill was to have provided money for local origination, but did not detail a source of funding. There was no mention of a potential tax on cable.

Louisiana

The session just recently got underway. Several cable measures are expected, though none had been introduced at press time. The legislature has considered a PUC bill for the past several years, but has not approved one.

Maryland

Approved: H.B. 1280. A Boulder bill giving municipalities the authority to grant exclusive or non-exclusive franchises for cable television and impose franchise fees, rates and regulations.

Failed: H.B. 151. Placed chronological deadlines on cable system construction.

H.B. 1329. Ethics legislation, to prevent any cable company that contributed to a county executive or county council candidate from receiving the franchise in Montgomery County.

Massachusetts

Some 30 bills have been introduced in Massachusetts, and the New England Cable Television Association has had its hands full fighting most of them. Amid the stack of bills are measures which would essentially increase government control over cable. Though the bills are still officially pending. NECTA executive director Paul Cianelli says almost all appear to be dead. The session closes in July.

One unique bill (S. 422) was introduced at the request of the Boston Access Coalition. It would establish a right of free speech for cable television by eliminating editorial control over access channels. NECTA supported the measure, if amended, but it appears dead in committee.

While NECTA has been lobbying against most of the legislation, Cianelli feels state legislatures can do beneficial things for cable. His group will push for a franchise renewal bill next year. "Properly framed state legislation, in the long run, will be in cable's best interest, especially when we get into the issue of renewals," Cianelli said.

Pending: S. 197. Grants county commissioners power to regulate cable rates.

S. 365. Would increase application fees for initial, renewal, transfer or assignment of license based on population; also require 5 percent of gross revenue to be paid to municipality.

S. 370. Requires mandatory access and same level of service for all systems owned by the same company within the state; other measures include free universal service, a permanent citizens' advisory board and privacy rules.

S. 421. Privacy protections.

S. 422. Establishes a right of free speech for cable, eliminating editorial control over access channels.

S. 430. Allows municipalities to collect 3 to 5 percent of gross revenues.

S. 439. Requires cable technicians to be licensed.

S. 443. Installation of cable required within two hours of appointment a company makes with a customer.

H. 157. Burglar alarm licensing required for systems with employees installing or repairing alarms.

H. 835. Cable regulation by a seven-member commission.

H. 983. Guarantees access to condominiums.

H. 1629. CATV cross-ownership with newspaper, periodical, radio and television station.

H. 2401. Establishes a formula for companies to pay only for cost of regulation.

H. 2402. Allows basic service rates to increase by 75 percent of the Consumer Price Index.

H. 2620. Issuing authority comprised of state legislators.

H. 2621. Changes issuing authority from mayors to city councils.

H. 2943. Selection of cable company by referendum.

H. 3023. Prohibits X-rated movies on cable, with fines up to $5,000, and would place noncomplying firms in jeopardy.

H. 3135. Creates a right of renewal in existing licensees.

H. 4114. Deletes newspaper-cable cross-ownership bans.

H. 4435. Lowers theft of service penalties.

H. 5397. Undermines the state cable commission's ability to deregulate rates.

H. 5762. Allows City of Newton to impose a 3 percent or greater fee on cable gross revenues.

Michigan

Approved: S.B. 348. Boulder legislation, granting antitrust immunity to municipalities which have entered into a consortium of more than one county, with a population of one million or more.

Pending: H. 5204. Sets an entertainment tax of 4 percent on cable revenues, as well as other entertainment; may die under this number but resurface in a different form.

S.B. 610. Requires service charge adjustments for interruption of service; in committee.

H.B. 4820. Theft of service penalties; approved in the House, pending in the Senate Judiciary Committee.

Minnesota

Approved: H.F. 2190. Sets a 5 percent sales tax on basic and premium services for cable, MDS, STV and MATV; signed into law by governor.

S.F. 518, H.F. 541. Provide an option for cities with less than 1,000 subscribers in a cable system to opt out of state franchise certification; signed into law by governor.

S.F. 1845, H.F. 612. Landlord/tenant legislation, authorizing the state cable board to set regulations for providing access to multiple dwelling units; signed into law by governor.

Failed: S.F. 364, H.F. 167. Certify the PUC as the regulator of pole attachment rates.

S.F. 850, H.F. 868. An obscenity measure, but it did not specifically mention cable.

Mississippi

Bill Dunlap of the state cable association, said, "We had a very quiet year, and we're very appreciative of that, because sometimes we have things coming up that we don't like." In the past few years, the state has considered PUC legislation, he said.

Failed: H. 73, S. 2012. Theft of services provision.

Missouri

Several controversial measures now appear dead in Missouri, but the Mid-America Cable Television Association believes they may resurface next year. In discussing a sales tax measure, PUC bill and pornography measure, executive director Rob Marshall said, "There seems to be a lot of misinformation out. People read (about cable) in the paper and say, 'Gee, here's a source of revenue' or 'We ought to control this thing.' Then they draft a bill without even consulting representatives of the cable industry."

Pending: H.B. 1218. Criminal penalties for promoting cable pornography.

H.B. 1718. Include 3 percent sales tax on cable service and rental or leasing of all equipment.

H.B. 1486, H.B. 1294. Missouri House Concurrent Resolution No. 4. Classifies cable systems as utilities and places them under the jurisdiction of the Missouri Public Service Commission. H.B. 1294 is a subscriber-privacy measure.

H.B. 1466, H.B. 1772. Places pole attachment under the jurisdiction of the MPSC.

Nebraska

Pending: L.B. 731. Allows public power districts, municipalities and certain municipal agencies to own and operate cable systems.

L.B. 704. Dedicates at least one channel exclusively to educational, instructional, news or public television programs; approved by telecommunications committee; an Omaha senator is attempting to amend the measure to prohibit bingo games over cable.

New Hampshire

No cable legislation has been filed in the state's special session, although a special subscriber tax is reportedly being considered as a footnote to a budget measure, according to the NECTA.

New Jersey

Many cable-related bills are pending during this two-year session, but approval of any is uncertain according to the state cable association. Other state regulatory measures have been proposed by the PUC.

Pending: S. 186. Reduced cable rates for senior citizens.

S. 224. S. 391. A. 96. All restrict the sale, marketing or distribution of burglar and fire alarm systems, including those used with cable, unless approved by the Commissioner of Labor.

S. 387. A. 393. A. 912. Obscenity measures; A. 912 prohibits airing obscene material specifically on cable.

S. 1105. Penalties for theft of service.

S. 1287. Adopts federal standard for pole attachments.

A. 121. Requires CATV systems to maintain a 24-hour repair service and service phone line.

A. 123. Prohibits cable companies from imposing charges for late bill payment by subscribers.

A. 270. Prohibits the state or any political subdivision from owning or operating a cable television system.

A. 272. A. 912. Landlord tenant legislation for access to apartments, condominiums, co-ops and mobile home parks.

New Mexico

No cable bills during this session.

New York

Although 30 bills are pending before the state legislature, the New York Cable Television Association is paying close attention to approximately six major bills, four of which have been simultaneously introduced in the House and Senate. The remaining bills are redundant, according to one association member, dealing primarily with deposits on converters, modifications by cable systems of blackouts and the deregulation of enhanced services. Pole attachment rates were taken over by the state following a decision in 1978 which established jurisdiction. Presently, the public service commission is protesting the decision which may end up in court.

In addition, the Government Operations Committee of the New York Commission of Cable, at the urging of the state association, has issued a Notice of Proposed Rule making to examine the need for developing privacy guidelines beyond the current provisions of New York state law. The inquiry into privacy is now in effect. As a result of this activity, the New York attorney general has introduced a consumer privacy bill which states that cable companies must obtain permission from the subscriber before monitoring household or viewing patterns, plus obtain written permission from a subscriber before collecting personal information except as necessary in providing cable service. Furthermore, applicants for cable service must be provided with a statement of company policy regarding consumer privacy. This bill has drawn a great deal of attention from the legislature, said the association member.

Pending: A. 9356. This bill would prohibit municipalities from censoring cable program content except where it is found to be detrimental to the moral well-being of children or obscene by standards in New York penal law.

A. 8761. (This and the following three bills are also referred to as S. 11049-11052.) The first bill in what has been called a legislative packet deemed favorable to cable places a 5 percent cap on franchise fees. This would guarantee franchise fee limitation in the event the FCC abolishes its current 3-5 percent ceiling.

A. 8762. This bill is a basic rate deregulation proposal which requires that competitive alternatives exist before rates can be deregulated. Such deregulation will take place in areas where a combination of three over-the-air signals compete with cable, two of which can be traditional over-the-air broadcast signals. Also included are PBS channels, STV outlets and low power stations.

A. 8763. This bill curtails some of the power of the New York Cable Commission, speeding up the process in deciding franchise applications to within 70 days. It also deletes the commission's authority to mandate access channels and interconnect systems.

A. 8764. This bill also refocuses the direction of the commission away from cable operators to focus on public interest concerns of cable subscribers' health and safety. It emphasizes consumer protection primarily but prohibits the commission from mandating technological standards which exceed existing federal standards. In addition, master antenna television companies would no longer be required to obtain a franchise from the city.

North Carolina

While nothing is pending, the pole attachment issue may reappear in June. This proposal would grant the Public Utilities Commission jurisdiction over attachment rates and potential disputes. In addition, there is some discussion that legislation dealing with the Boulder situation may appear, according to Wade Hargrove, executive secretary for the state association. Hargrove said the association recently held a state regulation planning conference in which the top management of local and national cable companies met to discuss outlining the issues affecting cable regulation and potential problems. "Bills affecting cable are moving much faster," said Hargrove, "so we have to be prepared in terms of lobbying."

North Dakota

Nothing has been introduced this session regarding cable, but the state association said some type of Boulder legislation is expected.

Ohio

Dan Helmick, executive director of the Ohio Cable Television Association, said the state is looking for new revenue sources and is eyeing cable. "Cable is viewed as a really wealthy industry, as a luxury item. People say it's discretionary that they (operators) don't get charged a sales tax. And it occurs as the state's financial straits get more severe," Helmick said.

Approved: H.B. 538. A construction measure concerning underground digging, which requires cable companies to mark their lines.

Pending: H.B. 223, H.B. 694, S.B. 530. Tax measures which the state association is keeping tabs on, in hopes that a sales tax is not attached to cable services.

Oklahoma

Pending: S.B. 16. Authorizes the Oklahoma Corporation Commission to regulate subscriber rates and pole attachments and require a system of registration and certification.

Pennsylvania

A package of seven bills was introduced in March 1981. All of them are now being considered, but according to Stanley Singer of Pennsylvania's Cable TV Association, "nothing has happened." The bills have become relatively outdated as a result of the Boulder decision. The package is labeled S.B. 761-767 and essentially grants franchising powers to various types of local government. A theft-of-service clause has also been included as S.B. 767. Presently, PCTA is trying to get the legislature to approve a law that would encompass the Boulder decision (see sidebar on "The Boulder influence") and get Pennsylvania to deregulate franchise fee rates and develop a universal method to handle both franchising and refranchising.

Rhode Island

In Rhode Island, construction of cable systems is just getting underway. The new awareness of the industry has led a number of legislators to introduce regulatory and revenue-producing measures. As NECTA's Paul Cianelli said, "Suddenly cable is a front-page story. A lot of things are coming from municipalities and the League of Cities. They want a piece of the action, a piece of the revenues."

Pending: H. 5941, S. 0501. Establish regulations for CATV systems.

S. 2347. Requires CATV installers to be licensed by DPUC.

H. 6173. Provides for termination and renewal of certificates.

H. 6176. Allows municipalities to assess a fee on community CATV.

H. 6179. Creates 21-member legislative committee to promote community access to CATV.

H. 6182. Sets a 15-year limit on CATV certificates.

S. 0675. Creates special legislative commission on establishing CATV authority.

S. 0686. Creates special senate committee on rate schedules and installation charges.

S. 2145. Allows administrators to bill companies for costs of franchise investigations.

South Carolina

Nothing is pending here, although there is still concern about possible pole attachment regulation by the Public Service Commission, similar to that in neighboring North Carolina. So far, however, the state cable association has had a successful track record in lobbying against such proposals.

South Dakota

Only one bill was passed during the legislative session, but it was stridently opposed by the state cable association. H.B. 1283 was approved and allows a municipality to own a cable system; however, an amendment was attached which lessened the effect. The amendment said the municipality could own the cable system if it also owned a power or phone company.

Tennessee

The cable association did not follow up on the bill designed to eliminate the privilege tax, which charged systems on top of standard franchise fees. However, the association is about to bring suit against the state utility companies in regard to the continual increases of pole attachment rates. Much of the pole ownership in the state is by municipalities or cooperatives, which are presently charging cable operators as much as $10 per pole in rental rates. A spokesman for the association stated that the lawsuit would attempt to set some sort of uniform pole attachment rate, such as the adoption of the federal formula to set a standard pole rate. The grievance would be against all municipal or co-op pole owners and would take the form of individual lawsuits. The spokesman added that the route to take may be to subject the owners to federal antitrust laws.

Utah

After a federal judge last November enjoined the Utah-approved obscenity bill banning indecent material on cable television, a similar bill has reappeared this year in the form of H.B. 63. This bill is called the Child Protection Act, which makes it a misdemeanor to show R-rated, or "indecent, pornographic material" on cable, as well as MDS service and local broadcast networks. A spokesman for the Utah cable association said he expects such

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a bill will continue to appear owing to the pressure of many of the state's residents to get such language passed. A public hearing is scheduled to decide whether it should remain as a bill or go up as a referendum.

Vermont

Failed: S. 271. Requires cable companies to obtain franchises from a city or town as well as a certificate of public good from the PBS; system would have to pay a franchise fee of 3 to 5 percent.

Virginia

Approved: S. 425. Allows local government to grant exclusive cable television franchises.

H. 713. A landlord/tenant measure, prohibiting landlords from denying cable companies access to rental units; also prohibits landlords from charging extra fees or increasing rent for allowing cable access.

Washington

A bill exempting cable systems from a per set tax was approved, while a more controversial one dealing with a municipal buy-back provision failed. This bill would have required a specifically defined city from purchasing or operating a cable system if a privately owned operation were available.

West Virginia

Three different bills were introduced during this legislative session, each attempting to make cable a public utility. None made it out of committee. The three bills included one which was introduced by Governor Jay Rockefeller, which according to Sue Talbott, president of the state cable association, took everyone "by surprise." At this point, although the bill failed, Talbott said Rockefeller is not convinced that cable shouldn't be regarded as a public utility. "They may hold a special session later this year, but I would hope that cable is not a consideration then." Talbott said.

Wisconsin

Only one piece of legislation affecting cable has been approved. A.B. 757, a privacy bill, states that if a cable system is interactive, upon request of a subscriber, the converter can be fitted with a device that will make it one-way and non-interactive.

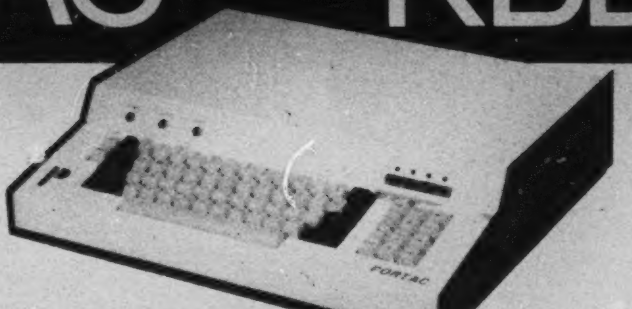
The legislature has adjourned at this time with nothing before it but a budget repair bill. However, Milwaukee has expressed its concern for the development of a "Boulder type" bill, which may be amended to the budget bill should the necessity arise.

Wyoming

While no legislation is pending here, there is a close watch on Utah's obscenity bill.

No session

The following states did not hold legislative sessions: Arkansas, Maine, Montana, Nevada, Oregon and Texas.



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On being your own best customer

Cable buys on cable in '82 will surpass industry's total time sales in '81

By Jean Bergantini Grillo

Is the cable industry its own best advertising customer? Based on a recent *CableVision Plus* survey, the answer is, "very nearly." While the Cable Advertising Board trumpets the ever-growing amounts spent by outsiders to sell their products on cable (1982 estimates: $225 million), spending by *insiders*—dollars from the cable industry spent on the cable industry—gallops toward those amounts. And the internal windfall is likely to grow even larger.

Pay cable buys cable

(real dollars and equivalent dollars)

Pay services	Total ad budgets	Cable buys
HBO/Cinemax	$24-$26 million	SPN, ESPN, WTBS, CNN I, II, USA, CBS Cable Total: $1.5 Million
Showtime	$4 million plus	CNN, WTBS, USA, ESPN, WOR Total: $2.0 Million *
TMC	$8 million *	ESPN, CNN I, II, USA, WTBS, MTV, Nickelodeon Total: not broken out from other WASEC networks
Playboy/ Escapade, Bravo	$175,000	none
Entertainment Channel	not available	
Spotlight	not available	

*CV Plus estimate.

Cable buys cable

(real dollars and equivalent dollars)

Basic networks	Cable buys	Cable swaps
ARTS/Daytime	no buys	no
BET	no buys	no
CBS Cable	no buys	no
CNN I, II	ESPN	WTBS
WTBS	CNN I, II	CNN I, II
ESPN	CNN I, II, WTBS	MTV, Daytime
MSN	no buys	no
SNC	no buys	no
SPN	no buys	no
USA	NA	no
WASEC (MTV/Nick)	ESPN, CNN I, II, USA, TBS	Yes (same)
Total:	$29,388,000	$75,000,000 (estimated equivalent)

Grand Total:$104,388,000
(cable buys, swaps)

Total Adv. Budget: $110,385,000 (est.)
(including $11,947,000
in print media and
radio buys)

By *CableVision Plus* calculations, over $142 million in those buys and swaps finds its way out of the pockets of cable networks and into the pockets of other cable networks. Considering that the total cable ad revenues for 1981 were $117 million, it is clear that the impact of inter-cable spending is a powerful one.

The numbers, large as they are, remain incomplete. While most of the major basic and pay networks cooperated in this survey, some were more willing than others to open their books and reveal otherwise privileged budget breakdowns.

Although pay cable network marketing heads did go on the record, most of the highly competitive, ad-supported basic cable networks requested confidentiality—not just in cable buys and co-ops, but for overall budget as well.

The following networks are covered in the basic cable half of the survey: Hearst/ABC's ARTS and Daytime, Black Entertainment Network (BET), CBS Cable, CNN and CNN 2, WTBS, ESPN, Modern Satellite Network (MSN), Satellite Programming Network (SPN), USA Cable Network, Group W and ABC's joint venture, Satellite News Channel, and WASEC (MTV: Music Television and Nickelodeon).

Combined, these networks have an ongoing print ad budget totaling over $11 million dollars to promote to the consumer via national magazines, *TV Guide*, other cable guides and the local press. Individual print budgets run from a low of $10,000 to a high of $4 million (recently announced by Turner Broadcasting as part of a major campaign promoting CNN in *Time*, *Newsweek* and *U.S. News and World Report*).

In terms of dollars spent to promote themselves within the cable industry, however, the range is much broader.

Of the basic cable networks making cable buys (CNN, CNN 2, ESPN, MTV, Nickelodeon and WTBS), budget breakdowns ranged from a low of $260,000 to a high of $20 million.

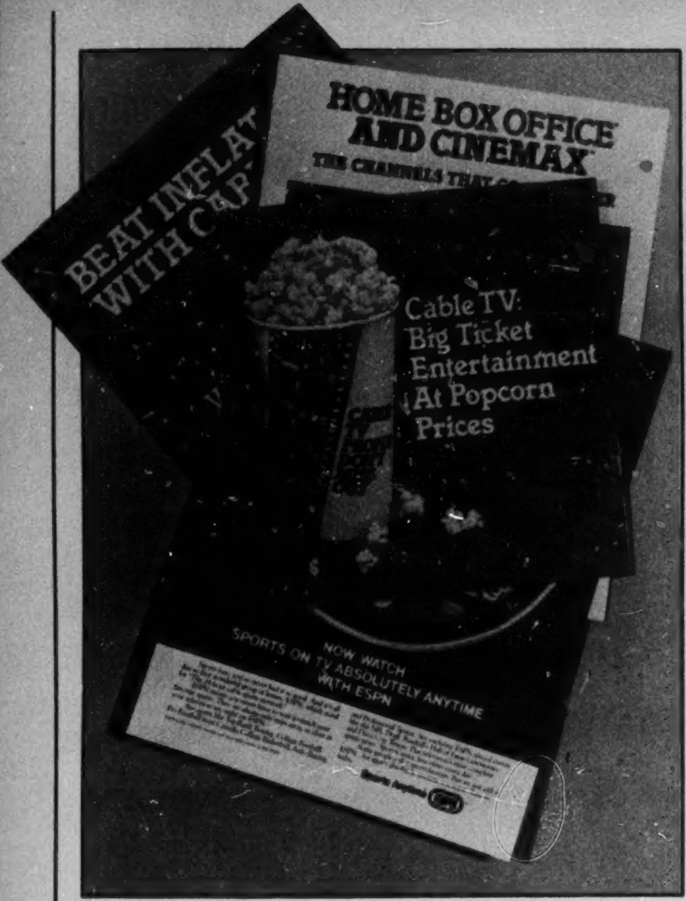
In total, these networks are making inter-cable buys amounting to over $29 million, nearly triple what these networks spend to promote themselves on other media.

Those figures are the "real" currency, the only stuff that counts, according to those cable networks who don't (or won't) engage in time-swapping. For those who do trade advertising time, however, the total dollar value is heftier, estimated by the cable operators involved as over $75 million.

The cross-promotion deal between ESPN and WASEC's The Movie Channel, MTV: Music Television and Nickelodeon, for example, is worth at least $18 million, an ESPN source maintains.

The clear swap king, however, has to be Ted Turner. According to Paul Bissonette, vice president of advertising and promotion for Turner Broadcasting's CNN and CNN 2 and WTBS, much of Turner Broadcasting's announced $80 million budget is simply the equivalent of what it would cost if the three networks had to pay for time buys on siblings. "Fifty million dollars of WTBS airtime alone is used to promote CNN," Bissonette told *CableVision Plus*. "Another $7 million is used to tout CNN2 on the superstation."

Once Ted Turner's huge CNN/WTBS joint promotional effort is separated from the basic cable pack, none of the basic cable networks have budgets that come close to what Turner is willing to spend. His $80 million in real and swap value contrasts with the average basic cable network budget of between $2 and $4 million. Among the pay services, however, purse strings loosen a great deal.



'We let the local operator package his service according to his needs by passing along the savings gained on not doing such a massive promotion nationwide.'

Barbara Kirbach
vp, advertising
Spotlight

Pay buys

The pay side of *CV Plus*' survey covered HBO/Cinemax, WASEC, Showtime, Playboy/Escapade, Bravo and Spotlight. Showtime would not release any dollar data either on the record or confidentially; therefore, all figures used for Showtime are estimates made by industry sources familiar with the network's past spending. Figures for The Entertainment Channel and Spotlight were also unavailable. In the case of The Entertainment Channel, no advertising budget had been determined prior to its launch, according to David Levine of Levine, Huntley and Papler, advertising agency for TEC. Spotlight, according to its advertising vice president, Barbara Kirbach, has "no national media budget *per se*. We will only create what's needed for a specific Spotlight member, if asked." Spotlight's six MSO equity partners do have a joint radio and broadcast account for spot advertising but Kirbach would not release the budget. (She also added that Spotlight makes no cable buys.)

In real dollars spent, Home Box Office is the easy leader. Its ad agency commands a total budget of over $25 million to promote both HBO and Cinemax. Warner-Amex follows with between $15 and $17 million its agencies divide among The Movie Channel (around $8 million), MTV (around $6 million) and Nickelodeon (around $3 million). Showtime comes in third with an average total advertising budget of about $4 million-plus, according to insiders familiar with the network's spending.

Each of the top four pay services (HBO, Showtime, The Movie Channel and Cinemax) spends several millions for time on basic cable networks. Currently, each of the four pay services advertises on ESPN, USA Cable Network, CNN and WTBS, with HBO/Cinemax also buying spots on SPN and CBS Cable. (Showtime also adds superstation WOR-TV in New York to its ad mix.)

Because WASEC has its own basic cable networks and can swap rather than buy time, Bob McGroarty, WASEC vice president of marketing, was able to put a total dollar value for "in-house cable buys and swaps" at $25 to $40 million." McGroarty adds that HBO/Cinemax would do the same "if it had cable networks to swap with."

Bob Bedell, HBO's vice president for marketing, hoots at the mere mention of "dollar values for swaps." Home Box Office and Cinemax pay only "real" dollars into the cable community and he sat down one day recently to lay out the complete multi-pay and basic cable marketing program.

According to Bedell, HBO budgets between $14 and $15 million for total advertising (print, broadcast and cable), with Cinemax spending another $6 to $7 million.

"The HBO perspective," Bedell says, "is to spend money in the national media for awareness generation and to excite consumer demand." One quarter of HBO's $15 million budget goes to national vehicles: print ads in *TV Guide* and *People* (in the Time Inc. publication, HBO gets "house rates," or half-price), and network television spots on CBS and NBC. For cable spots on eight basic cable networks, HBO spends $1.5 million.

While only HBO has the inclination (and dollars) to advertise on the two national broadcast networks that will accept pay cable spots, all of the pay services are quick to underscore that advertising on their sibling cable networks involves more than money.

WASEC's McGroarty, while not ruling out broadcast advertising in the future, said, "Just like we believe in specialized services for specific audiences, we advertise on cable networks because it reaches our audience." Another Warner official succinctly supported the reasoning that sees buying on a cable network preferable to broadcast: "because the people who have cable have cable."

Three quarters of HBO's budget goes to local advertising campaigns, "the keystone" of its marketing strategy, according to Bedell. It is here that HBO (and Cinemax) spend a combined total of $16 million in cable co-op materials available to the operator to promote the two services.

Eleven million of those dollars go into HBO's decision to print the name, address and phone number of every one of its local affiliates in the newspaper ads running in over 700 local papers nationwide, according to Bedell. "We reach over 85 percent of all U.S. households with those ads," Bedell says.

Another $2 million-plus is spent on local billboards which also promote HBO and Cinemax. Billboard material is provided free to the local operator who pays for the rental.

The network also pays, for each HBO/Cinemax affiliate, the production costs of all monthly TV spots (broadcast and cable), all monthly newspaper and magazine ads (HBO buys pages in all 104 local *TV Guides*) and all local radio spots and scripts.

Totals and trinkets

None of the amounts specified above takes into account all the ash trays, pens, banners, coffee mugs, bumper stickers and tee-shirts every pay service dispenses. According to marketing officials at HBO, Showtime and WASEC, these are "break-even" items: what the services pay for them is covered by what the operators are charged.

Even without factoring in those costs, however, HBO/Cinemax, Showtime, WASEC (through all its networks) and Playboy/Escapade pour over $38 million dollars into the cable industry through cable buys. Although the figure is inflated by "cash value" for various sibling and other network swaps, it is a potent indication of inter-cable network largesse.

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Just T
Beginning.

(Of Turner Broadcasting's announced $80 million promotion budget) '$50 million of WTBS airtime alone is used to promote CNN, (and) another $7 million is used to tout CNN2 on the superstation.'

Paul Bissonette
vp, advertising and promotion
Turner Broadcasting

Ad-supported nets:

Assessing the vitality of commercial cable

No one should hold his breath waiting for any of the major ad-supported cable networks to disappear into thin air in the next few months (unless he likes the shade of blue his skin will turn). But, according to the most knowledgable observers of the vitality and viability of ad-supported cable, it's very possible—and very expected— that at least one of today's strongest and most-watched quartets of basic cable networks could soon undergo such drastic changes that it will seem as if it had disappeared.

It's no longer a question of whether there will be failures in basic cable. It's a question of who, when, and where. In fact, there have already been some small failures. Witness the American Educational Television Network and the near demise of the Christian Media Network. No giants, these, but giants will fall, too. While today ESPN, CNN, WTBS and USA are synonymous with cable's advertising promise, rumblings in the wings confirm that even some of these now-hallowed names will not last as fully ad-supported vehicles.

The signs are all around. Many networks have already decided to move to sources other than advertising for support, particularly pay and pay-per-view ventures.

In the last part of 1981, CBS seriously toyed with the idea of switching CBS Cable from an ad-supported basic service to a pay service. Then Fox came along and that idea was shelved in favor of other pay services from the new joint venture. Getty Oil chairman Sidney Petersen told *CableVision Plus* (4/19/82, p. 14) that Getty may introduce a monthly subscription sports-plus network by the end of this year, and ESPN's arrangement with ABC calls for pay-per-view events at least once a month. In fact, Getty's Stuart Evey stated in the same *CableVision* interview that "pay TV is the only way— the *only* way—some of these things (sports events) can survive."

The purchase of USA Cable Network by Time, Inc., Paramount and MCA was regarded by observers as its salvation as a basic service. But the new owners have deliberately prompted expectation of pay-per-view events on USA. The recently revamped program schedule is causing worries among some advertising executives and even some cable operators. Nor is the situation helped by fierce competition predicted from newcomers Cable Health Network, Hearst/ABC's Daytime (which is apparently evaluating a lawsuit over USA's choice of the same label for its women's segment) and from older competitors WTBS and ESPN for sports rights.

"I don't know what USA is going to be," says Paul Schonewolf, General Electric Cable vice president of marketing. "I don't want them to become Cream of Wheat."

Among these four networks— USA, ESPN, CNN and WTBS— only the ones operated by Ted Turner are currently perceived to have weathered the first critical storm of opinion on both Madison Avenue and Wall Street. But as captain Turner knows, no ship is safe even when it's safely docked at shore, and especially if the boat at the next dock is owned by as confident a sailor as Westinghouse.

Photograph by Robert D. Tonsing

sinew and flab

By David Stoller

A question of numbers

In some respects it's really a question of numbers. Channel capacity, for the near future, is limited. So is the availability, at reasonable prices, of differentiated programming of quality. Also, there are only so many hours in any day, and only so many media vehicles any one, or any hundred and one, advertisers will or can buy.

"NBC, CBS and ABC have 378 hours a week of programming. CNN and WTBS combined have a total of 336 hours a week. There's just so much money to distribute," explains Ron Kaatz, J. Walter Thompson senior vice president of media resources. "All of a sudden, one day, someone will fold. It's bound to be."

The fight of numbers is being waged on several battle grounds: size of both national and local advertising revenues, access to systems and subscribers, and measurement of audience.

The advertising sales of ESPN, CNN, WTBS and USA hovers around 40 to 50 percent of national inventory, as gauged by the cable data from Broadcast Advertisers Report (BAR), which has been monitoring all four networks on a daily basis since the beginning of 1982, and is now issuing weekly, monthly and quarterly reports.

Those MSOs most actively selling local network availabilities (and there are few of them), say that both ESPN and CNN are their best sellers, and that USA Cable's sports programming also sells well to local advertisers. But beyond that, the picture blurs, and operators report that generally they do not do as well selling daytime women's programming or the cultural program services.

"We're not hanging our hat on the ability to sell locally. None of our systems count on advertising as a tool for survival," says Storer vice president of marketing, Doug Wenger.

Wenger's point is noted by the program services. They realize local advertising is an adjunct business to most operators now. Says Gary Koester, vice president of advertising sales for Warner Amex Satellite Entertainment, which sells 72 hours of programming a day on MTV, CNN and CNN2, "The value of a service like MTV to the operators is not in advertising but in getting subscriber lift, and second set and FM hookups."

All four networks have a comfortable cushion of subscribers and affiliates. Each serves over 10 million homes, and more than 1,000 affiliates. WTBS is the strongest of the four in subscriber and affiliate depth, with 20,375,000 subscribers on 4,052 cable systems, while USA Cable Network is last in both categories, with 10,500,000 subscribers in 1,800 systems. Second place ESPN has 15,382,371 subscribers and 3,545 affiliates. CNN has 11,815,620 subscribers in 2,142 systems. (*CV*, 4/26/82 p. 248).

All four networks predict that 1982 will be a great year for them. Each says it can survive and thrive as an ad-supported network (See chart). According to Gerry Hogan, Turner Broadcasting vice president of advertising sales, CNN, which did $17 million in advertising in 1981, will do $36 million in 1982 and will turn a profit this year. WTBS, already in the black, will nearly double its ad revenue in 1982.

Photograph by Robert D. Tonsing

sinew and flab

By David Stoller

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The advertising sales of ESPN, CNN, WTBS and USA hovers around 40 to 50 percent of national inventory, as gauged by the cable data from Broadcast Advertisers Report (BAR), which has been monitoring all four networks on a daily basis since the beginning of 1982, and is now issuing weekly, monthly and quarterly reports.

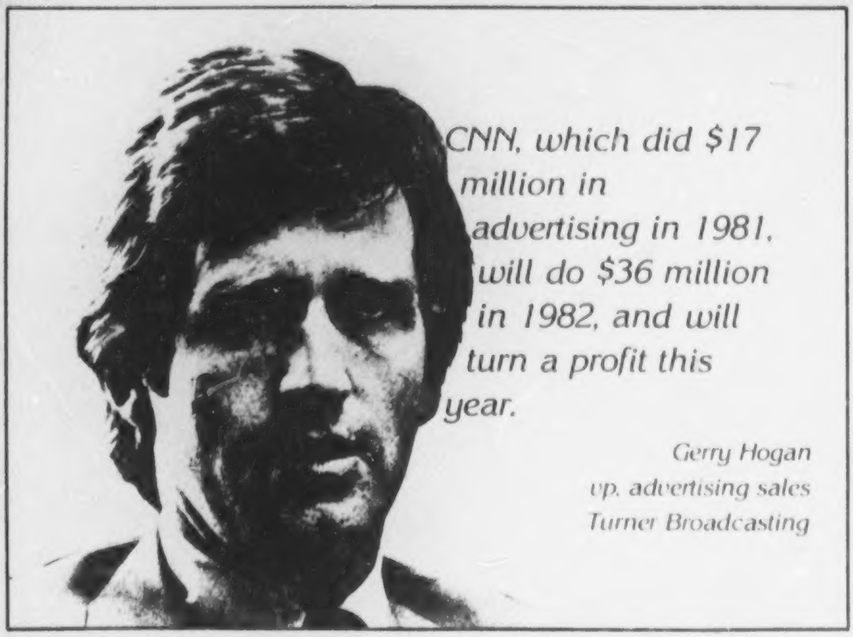
Those MSOs most actively selling local network availabilities (and there are few of them), say that both ESPN and CNN are their best sellers, and that USA Cable's sports programming also sells well to local advertisers. But beyond that, the picture blurs, and operators report that generally they do not do as well selling daytime women's programming or the cultural program services.

"We're not hanging our hat on the ability to sell locally. None of our systems count on advertising as a tool for survival," says Storer vice president of marketing, Doug Wenger.

Wenger's point is noted by the program services. They realize local advertising is an adjunct business to most operators now. Says Gary Koester, vice president of advertising sales for Warner Amex Satellite Entertainment, which sells 72 hours of programming a day on MTV, CNN and CNN2, "The value of a service like MTV to the operators is not in advertising but in getting subscriber lift, and second set and FM hookups."

All four networks have a comfortable cushion of subscribers and affiliates. Each serves over 10 million homes, and more than 1,000 affiliates. WTBS is the strongest of the four in subscriber and affiliate depth, with 20,375,000 subscribers on 4,052 cable systems, while USA Cable Network is last in both categories, with 10,500,000 subscribers in 1,800 systems. Second place ESPN has 15,382,371 subscribers and 3,545 affiliates. CNN has 11,815,620 subscribers in 2,142 systems. (*CV*, 4/26/82 p. 248).

All four networks predict that 1982 will be a great year for them. Each says it can survive and thrive as an ad-supported network (See chart). According to Gerry Hogan, Turner Broadcasting vice president of advertising sales, CNN, which did $17 million in advertising in 1981, will do $36 million in 1982 and will turn a profit this year. WTBS, already in the black, will nearly double its ad revenue in 1982.



CNN, which did $17 million in advertising in 1981, will do $36 million in 1982, and will turn a profit this year.

Gerry Hogan
vp, advertising sales
Turner Broadcasting

according to Hogan, to $100 million from 1981's $55 million.

Jeff Lawenda, USA Cable Network vice president of advertising, says his network hit $8 million in ad revenues in 1981, but expects to get $20 million in 1982. "We can survive as an ad-supported network and will be in the black within the near future," Lawenda says.

ESPN will not release exact figures on its 1982 projections, but Michael Presbrey, ESPN vice president of advertising sales, says the network hasn't missed a month in meeting its projections so far this year, and according to the *CableVision* interview with Getty Oil executives, ESPN had achieved 61 percent of this year's projected ad revenues by March. "We're expecting to make or exceed our budget in 1982," Presbrey adds.

Even if ESPN does succeed in that, Presbrey admits that it will still leave the network in a "loss position."

The issue of audience measurement is still the biggest hurdle between these networks, CBS Cable, Hearst/ABC's ARTS, the new Daytime entry and break even.

"These 10 million-plus-home networks will survive, assuming their numbers hold up," says Jordan, Case and McGrath vice president of media and programming, Ned Gelband.

Gelband says that WTBS has done "frighteningly well" and vindicated its early supporters by going on the Nielsen meters a year ago. WTBS has scored as high as a 1.6 rating nationally, and 6.8 in its own universe during 6 p.m. to 7 p.m. "fringe" time. Both CNN and USA have announced their intention to use the Nielsen meters when they are eligible. (CNN will be eligible in May.) But ESPN has so far opted not to be metered, a move that has caused a lot of head shaking on Madison Avenue, and probably more than one headache at ESPN.

ESPN says audience numbers on specific programs will be more helpful to its advertisers than the ratings Nielsen now provides. But many agency observers believe the decision not to go on the meters telegraphs poor overall numbers for ESPN. Dana Redmond, ESPN vice president of research, disputes this. "Our numbers are pretty good," he says.

Redmond concedes that not being measured now may have done a "disservice" to ESPN, but he says that the network wants to put more qualitative data into the hands of advertisers and agencies. "We need program ratings for help in pricing and scheduling, because we don't run the same program Monday nights at 8 p.m. We're working with Nielsen to devise a format to get individual ratings for individual programs. We don't want to sell on average quarter hour CPMs," Redmond explains.

The issue Redmond raises is already a perennial: What numbers are relevant to cable? Radio broadcasters are now questioning the relevance of traditional ratings in today's fragmented market and are pushing for more qualitative research for the networks and independent stations, and some cable operators endorse the ESPN concept of program and cumulative ratings.

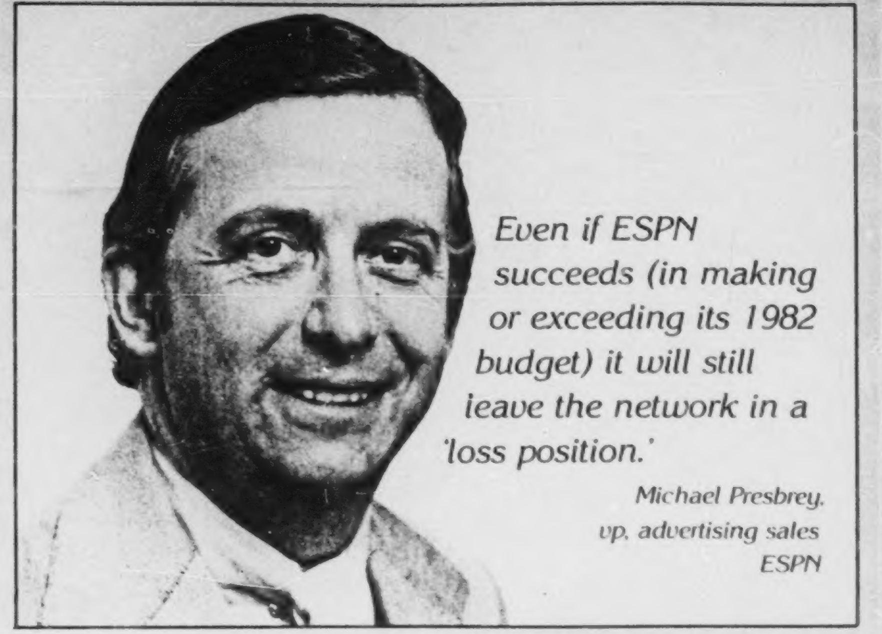
"It's no question we all need research, but we don't want the medium to be defined in traditional terms," says ATC's director of corporate development, John Walkmyer. Walkmyer is one who calls for cumulative ratings for cable, saying it's simply "inappropriate" for cable to be measured with quarter-hour broadcast ratings.

Tom McKinney, vice president of advertising sales, Group W Cable, concurs. "It's a mistake to fall into the Arbitron and Nielsen bag. It doesn't give you the qualitative data you need. To say 50 million people watch *Hill Street Blues* is not to say those are the people an advertiser needs. Mercedes Benz, for example, is better off on CBS Cable—those

Ad revenues 1981 and 1982
ESPN, CNN, WTBS, USA

	Revenues 1981 (in millions)	Projected Revenue 1982 (in millions)
ESPN	$18*	NA
CNN	$17	$36
WTBS	$55	$100
USA	$8	$20

**CableVision Plus* estimate



Even if ESPN succeeds (in making or exceeding its 1982 budget) it will still leave the network in a 'loss position.'

Michael Presbrey, vp, advertising sales ESPN

viewers are more likely to afford and to buy that product. A qualitative sale has more meaning."

Operators like McKinney and Walkmyer find the Madison Avenue numbers game not wholly on target. While they are interested and supportive of services like WTBS, CNN and others going on the meters if they feel they must, they are working much harder in gathering cable viewing habits and product-usage information, the kinds of numbers Madison Avenue says it also seeks, but which remain secondary to them in the current climate.

Agencies say they need the metered measurements to help justify the often premium prices they pay for cable time. The clang of sabre-rattling is explained by quoting clients' concerns over whether their money is being well spent.

"These networks are trying to sell intangibles and they refuse to show data," says Gabe Samuels, vice president of media research at J. Walter Thompson. "I'm afraid if I don't see some solid research by the end of 1982, there will be a leveling off of interest," Samuels explains, adding, "Unless I can show a cost analysis that the money a client spent achieved his objective, the client will not accept next year's plan."

Like Samuels, Doyle Dane Bernbach vice president of video technology/programming, W.S. "Jay" James, doesn't buy the argument that ESPN can be bought without a number. "Some clients are not as responsive to the argument about program environment. They want efficiencies. We could move away from ESPN to USA if they aren't on the meters in six months," cautions James.

John Gudelanis, Bozell and Jacobs vice president and associate media director, takes the audience measurement issue to a higher plane. Gudelanis says that the unit cost on some cable networks is approaching broadcast network levels and delivering significantly fewer numbers.

"Where you could buy cable networks for $100 per 30 second spot two years ago, it's now $2,500 per 30, and there are alternatives in over-the-air television or syndicated properties which deliver 60 percent to 70 percent of the television households."

For example, Gudelanis says, citing a recent study, the *CBS Morning News* costs less than prime time CNN, pulling in a 2½ rating with two million homes, while CNN has to generate a 17 rating in its own universe to garner the same number of households.

But there are some agencies that are not in as big a rush as others to get numbers they can immediately and neatly fit into their planning and buying methods. Says Beverly O'Malley, vice president and associate media director at Dancer, Fitzgerald, Sample, "There's a lot more research out there than some people want to see. We do want numbers, but we are getting enough directional research to say we're not crazy. We do need to know if the price is worth the premium, but we also want to establish franchises for our products."

Because out-of-pocket costs are still lower on cable than on broadcast, and because many cable networks have provided advertisers with some unique franchise and sponsorship opportunities (translation: long, long contracts at $250 to $350 per 30-second spot), most agencies and advertisers can still justify their cable expenditures today without the need for rating points. But the issue raised by John Gudelanis is one cable networks will hear more often and with more insistence as costs rise.

According to entertainment analyst Anthony Hoffman of A.G. Becker, some advertisers are still buying cable on faith, on the premise of keeping the medium alive and keeping broadcast prices in line. But when cable services begin to be measured, advertisers will be much more reluctant to pay any premium for cable time.

The message: Without good numbers, some networks are doomed.

Who, when, how

J. Walter Thompson's Ron Kaatz subscribes to the theory that only two types of program services will survive: mass entertainment networks like WTBS and services that can deliver and fit unique demographics.

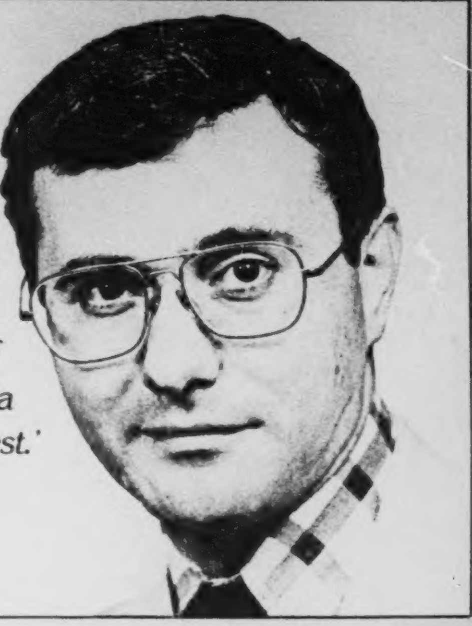
But those broad definitions can include nearly every existing or announced cable service, and as Kaatz himself says, not everyone is going to make it.

That leaves the questions of who, when, and how. An ad-supported network, no matter how large or how targeted, needs an audience which, by its size, by its definition, or both, can be documented as efficient against other media buys, Kaatz argues.

"You don't have a viable advertising medium unless the programming generates audiences," says A.G. Becker's Hoffman, stating the obvious. He believes that the most appealing programming types, such as sports, will go the way movies went—to pay—and take the audiences with them. "We're looking at a business without the audience size to justify the revenues now, with the exception of WTBS, CNN, ESPN and possibly USA," Hoffman says, adding that being there first and having access to many subscribers and systems is a temporary guarantee of viability.

It's hard for an operator to pry CNN, USA, ESPN or WTBS away from subscribers today, Hoffman observes, but that may not always be the case. With an increasing number of pay services becoming available, any one that doesn't pay its way will be kicked off. GE Cable's Paul Schonewolf agrees: "If you don't have a clearly defined niche, you will be gone," he warns.

Hoffman and others suggest that what is really keeping ESPN and USA, for example, afloat is the support they are receiving from their corporate parents. For ABC, Westinghouse or Time Inc. to publicly admit that their ad-supported services are not working, after so much hoopla about their cable involvement, is too embarrassing. "They will sit there for three or four more years," Hoffman conjectures, before either turning off the lights altogether or seeking an alternative source of revenue, like pay.



'I'm afraid if I don't see some solid research by the end of 1982, there will be a leveling off of interest.'

Gabe Samuels,
vp, media research
J. Walter Thompson

Hoffman has some predictions about what might happen to both ESPN and USA that harshly counter what the two networks themselves say.

Getty Oil, Hoffman speculates, will phase itself out of ESPN, while ABC phases in. ESPN will become a pay network, with ABC's support, Hoffman predicts. "Anything people want to watch they will pay for, and you can get from two to 10 times more money from viewers than from advertisers."

If USA Cable Network's broad appeal programming concept does not improve, Time Inc. might very well close down that shop as an ad-supported service. "In theory, USA's broad appeal idea should broaden revenues, but they need a better program block," says Hoffman.

Just who might go down first or go pay is anybody's guess, but the services about which there is such speculation are Hearst/ABC's ARTS, and CBS Cable, the two ad-supported cultural networks.

CBS Cable's plan to get $20 million in advertising support in its first year is bluntly characterized as "insane," by analyst Hoffman, who says the projection was "a willful distortion of the facts to get (Chairman William) Paley to agree. Now the die is cast."

But James Joyella, CBS Cable vice president of advertising sales, counters that the cultural network "will be in the black," as an ad-supported channel by 1984, and that 1982's ad sales should approach the

'We don't want to sell on average quarter-hour CPMs.'

Dana Redmond
vp, research
ESPN

$20 million predicted for 1981. Joyella maintains that the 1981 figure was off only because the service launched in October and not in the spring, as had been originally planned.

While Joyella admits that CBS Cable almost went pay in late 1981, James Perkins, president of Hearst/ABC Video Services, which produces both ARTS and the new Daytime women's service program block, will not even speculate on whether the cultural service will go to pay for survival.

"It is the intention of Hearst/ABC to produce a service called ARTS and they are committed to that," Perkins says stiffly.

But agency observers generally believe that only one ad-supported cultural network can survive, and it is at CBS Cable and ARTS that the problems of audience size and media efficiencies are the most evident.

"It's a long haul for both," says Leo Burnett vice president of media research, Jack Hanrahan. Adds Doyle Dane Bernbach's Jay James, "When you factor in the costs with the subscriber base, the culture networks don't look like an efficient buy."

Just as there is going to be fierce competition between ARTS and CBS Cable, and fierce competition between ESPN, USA and WTBS for sports programming, there is also a battle brewing for the daytime audience between the newly packaged USA Daytime and Daytime from Hearst/ABC.

Agencies are skeptical about both services. Judging by the support time buyers have given to USA Cable in other dayparts, and by their initial acceptance of the Hearst/ABC concept, there is a prevalent belief that neither service is as attractive a vehicle as it must be to survive against the soap operas on ABC, CBS and NBC, or the movies on independent stations.

Leo Burnett's Jack Hanrahan says USA's recent daytime changes "haven't helped," and he rates Daytime on the low side of five on a scale of 1 to 10.

"I don't think Daytime is going to make it," Hanrahan states flatly. "They're programming for an audience that's not there in sufficient numbers, and in a program area where there is broadcast programming in place which is extremely attractive."

Bozell and Jacob's John Gudelanis is just as blunt about the USA Daytime format. Gudelanis says he is monitoring USA in all its segments on a "day-by-day basis."

"I used to find it easy to evaluate USA," Gudelanis says, "but now they're trying to be everything to everybody. The USA Daytime programming is half filler. *Sonya* is another talk show, and the movies the independent stations already do. There's no real reason for an advertiser with a scatter market to look to USA Daytime. If a client wants a daytime talk show why not go with *Donahue*?"

Louis Schultz, senior vice president and associate media director in Campbell-Ewald's Chevrolet division, agrees with Gudelanis. "USA needs a conception of where it wants to be in the long haul," says Schultz, adding that he doesn't know if there is a need for another general entertainment network, patterned after existing broadcast vehicles. "Even with backing they could go toes up," Schultz says.

Different loyalties

No advertiser or ad agency cares whether CNN, WTBS, ESPN, USA or anything else, thrives or even survives in present conformations under present owners. Agencies say bluntly they are loyal to program concepts that attract eyeballs to television sets, a criterion shared by many cable operators.

So, the work is cut out for the ad-supported networks: Find an identity, an audience for the programming, and documentation to prove that audience, or else find another business.

Furthermore, while costs are now being absorbed for many networks or cross-subsidized by other ventures (such as SPN's Southern Satellite Systems operations), and, in some cases, by operators paying 10 cents or 15 cents per subscriber, there's only so much money in any corporate parent's pocket, and operators are much more vocal in rejecting any payment for services today than even six months ago.

More realistic pricing and much more standardized research supplied by the entire cable industry can prevent any severe wounding of ad-supported cable. But, finally, it will be fundamental, bottom-line business decisions—on the part of corporate parents, cable system operators and advertisers—that will determine which services will be around next spring and the spring after that.

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Interactive homes

Pilot projects gather data for electronic shopping, banking and other areas

NEW YORK—At least a dozen experiments in interactive home shopping and banking are now taking place in the U.S. or are due to come on line later this year. Some are tied into electronic publishing tests, while others are piggybacked onto cable TV activities. Indeed, the whole matter of electronic home transactions remains largely a matter of definition. For example, direct-response marketing—electronic catalog shopping—has been successfully operated on QUBE and on the new Adams Russell/J. Walter Thompson service in Massachusetts.

But purists might accept only the handful of truly interactive tests now being conducted by banks around the country. At this stage, even these projects offer only limited services, such as checking balances in customer accounts, moving funds between accounts and electronic bill-paying. But many of these ventures are beginning to branch out and offer additional services, financial and otherwise. Videograms and merchandise ordering are now part of the service, as are access to electronic publishing databases such as The Source and CompuServe.

In the cable TV arena, the most comprehensive services now available on an experimental basis are Cox Cable's INDAX and Times Mirror's videotex systems, both in Southern California. Cox's experimental system (300 homes in San Diego) was more than a year late in starting up—and its fully commercial cousins are scheduled to go into operation on new Cox franchises in Omaha, Neb., and New Orleans later this year. The Cox arrangement in San Diego involves HomeServ and ViewMart (both affiliated with American Can Corp.'s Fingerhut direct marketing subsidiary), which are coordinating the local participation of several banks and retail stores.

Times Mirror's project, operating on a two-way cable system in Mission Viejo, Calif., and via a telephone loop in nearby Palos Verdes, also offers financial and marketing services. The system includes novelty services (such as an electronic greeting card exchange, put together by Hallmark) and advanced "gateway" facilities; a gateway is a means for a customer to reach into another computer by funnelling through the system operator's computer. In the case of Times Mirror's videotex system, customers can look up their accounts in the Bank of America computer or they can jump directly into the database of the Official Airline Guide to find flight schedules for their airplane travel. This gateway concept is foreseen as a fundamental expansion of teleservices, permitting service providers to maintain more immediate control over how the data and services are used.

Elsewhere, First Bank Systems, a bank holding company based in Minneapolis, will soon start up its "FirstHand" service in Fargo, N.D. FBS is using the French Teletel technology and is now building a roster of information and service providers—with a heavy emphasis on material use to the agricultural community.

CBS and AT&T will launch a service to 200 homes in Ridgewood, N.J., this fall. Much of the information will come from CBS' own resources, but the project will include a variety of direct-marketing services. Notably, CBS' direct-mail subsidiary (Columbia House, the merchandiser of record and book clubs) will develop teleshopping services for the experiment.

Meanwhile, AT&T is also taking part in the Viewtron project in South Florida. Knight-Ridder Newspapers' subsidiary, Viewdata Corp. of America, is coordinating that project, which completed a 13-month test last fall. In the summer of 1983, a commercial service will start up, offering about 5,000 homes the opportunity to retrieve information, shop, bank and perform other services from a home terminal.

Several projects are underway in New York. Citibank's HomeBase project has put several hundred specially built terminals into customers' homes in the metropolitan area. Chemical Bank's Project Pronto is using 200 Atari microcomputers for its test, which is expected to add a number of new offerings later this spring. Chase Manhattan bank is just beginning in the electronic at-home banking arena, probably using some of the French technology.

First Interstate Bank in Los Angeles is offering a service using off-the-shelf Radio Shack equipment. And one of the first banks to plunge into the business, in Knoxville, Tenn., United American Bank, has been providing its "Bank-at-Home" service for nearly two years, also using Radio Shack home computers which it partially paid for to place in homes of test participants. —*Gary Arlen*

TELESERVICES BOX SCORE

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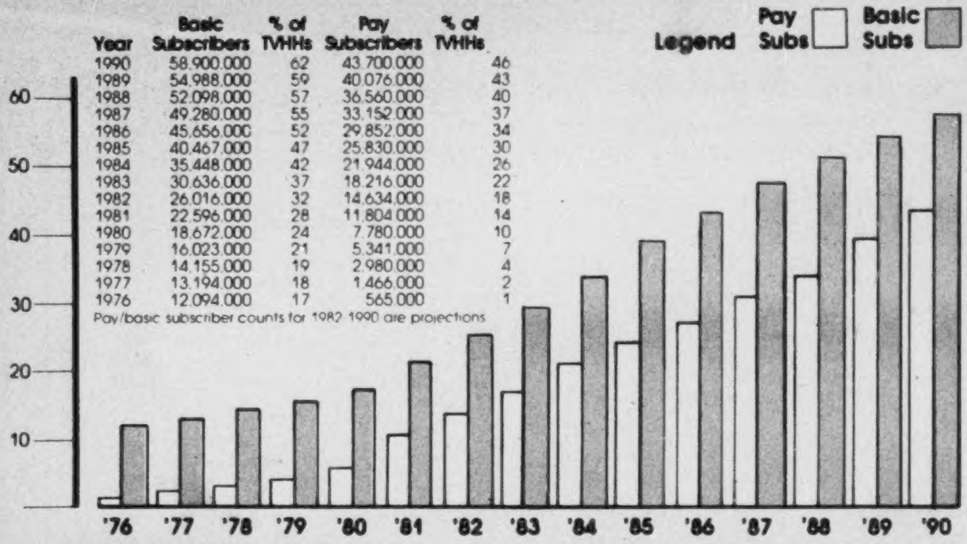
Service	Operator, Location	Number of Homes
Project Pronto	Chemical Bank, New York	200
HomeBase	CitiBank, New York	200
Day-and-Night Video Banking	First Interstate Bank, Los Angeles	200
Bank-at-Home	United American Bank, Knoxville	200
Times Mirror Videotex	Palos Verdes, California—telephone connection	200
	Mission Viejo, California—cable TV connection	150
FirstHand	First Bank Systems, Minneapolis Starts Summer 1982	250
CBS/AT&T Videotex	Ridgewood, NJ Starts October 1982	200
Viewtron	AT&T/Knight-Ridder Newspapers Resumes Summer 1983	5,000
ConTelVision	Continental Telephone, Manassas, VA starts late 1982	100
INDAX	Cox Cable (experiment), San Diego	300
	Cox Cable, Omaha, New Orleans starts late 1982	new franchises

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) ...	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

1981 cable TV franchise awards

State/location	Company name	Month[1]	Homes[2]
Alabama			
Montevallo	Omni	Mar.	800
Arizona			
Glendale	Storer	Dec.	35,000
Scottsdale	United	Nov.	44,000
Tucson	Cox	Oct.	135,000
California			
Buena Park	Teleprompter	Jan.	
Burlingame	Capital Cities	Feb.	
Commerce	Buena Vista	Jul.	
Compton	Heritage	Nov.	22,000
Covina	Six Star	Aug.	
Del Mar	Daniels	Mar.	
Hidden Hills	Cable America		500
Ladera Heights, Baldwin Hills, Lennox	Jack Barry Cable Television	Sep.	12,000
La Mirad	Rogers	Aug.	12,000
Mountain View	Viacom	Jun.	30,000
Norton AFB	Field Comm.	Jun.	
Norwalk	Falcon	Mar.	
San Marino	ATC	Apr.	4,400
Santa Ana	Teleprompter	Dec.	65,000
Santa Fe Springs	Rogers Cable	Oct.	92,116
Seal Beach	Teleprompter	Oct.	13,900
South El Monte	Heritage	Aug.	22,000
Stanton	Rogers	May	9,000
Union City, Villa Pk.	Storer		
Colorado			
Highlands Ranch	ATC	Aug.	30,000
Connecticut			
Lower Fairfield County	Cablevision Systems	Aug.	120,000

State/location	Company name	Month[1]	Homes[2]
Florida			
Coral Gables	Colony	Jul.	18,000
Kenneth City	Vision Cable		
Miami	Americable/TCI	Oct.	
Pinellas Park	Vision Cable		
Plant City	Plant City Cablevision	Dec.	
St. Johns County	Arvada Clearview	May	
West Hernando County	Centel	Aug.	3,500
West Pasco County	Storer	Jun.	
Georgia			
Alpharetta	Cable America		1,100
College Park	Cable America	Jun.	11,000
East Point	Cable America	Apr.	16,000
Lithonia	Cable America	Dec.	3,000
Pine Lake	Cable America		2,500
Stone Mountain	Cable America		5,000
Illinois			
Barrington	Centel	Mar.	3,300
Batavia	Multimedia	Feb.	5,000
Bellwood	MetroVision	Aug.	
Blue Island	MetroVision	Jan.	
Calumet Park	Continental		
Chicago suburbs (Buffalo Grove, Elkgrove Village, Hoffman Estates, Palatine, Rolling Meadows)	Warner Amex	Dec.	50,208
Chicago Heights	TCI	May	
Deerfield	Capital Cities	May	
Dolton	Continental	Aug.	
Evanston	Cablevision Systems	Mar.	13,500

Cable stats

State/location	Company name	Month[1]	Homes[2]
Evergreen Park	Multimedia	Feb.	9,000
Farmer's City	Centel	Jul.	650
Fox Lake	US Cable	Jan.	
Glen Ellyn	Teleprompter	Apr.	8,500
Glenview	Cablenet	Feb.	
Harvey	Multimedia		
Highland Park	Capital Cities	May	
Hometown	Multimedia	Aug.	
Kenilworth	Cablenet	Feb.	
Kildeer	Centel	Sep.	500
Lake County (north)	U.S. Cable of Waukegan	Dec.	
Lake County (south central, unic.)	Centel	Dec.	
Lansing	Centel	Nov.	9,000
Lisle	Multimedia		
Markham	Multimedia		
Niles	Cablevision Systems	Aug.	
Northbrook	Cablenet	Feb.	
Northfield	Cablenet	Feb.	
O'Fallon	Continental		
Park Forest South	Centel	Sep.	2,300
Skokie	Teleprompter	Dec.	21,000
Steger	TCI	Jul.	
Thornton	Centel	Dec.	
Warrenville	Centel	Mar.	2,000
Westchester	Continental		
Western Springs	Centel	Aug.	4,400
Wilmette	New Trier Cable	Feb.	1,490
Winfield	Centel	May	
Winnetka	Cablenet	Feb.	
Woodridge Village	Cablevision Systems	Dec.	8,600
Indiana			
Advance	Quality CATV	Feb.	
Dyer	US Cable	Jan.	
Frankton	Quality CATV	Nov.	
Gary	Gary Communications/TCI	Aug.	
Hamilton County	Quality CATV	Aug.	
Hancock County	Quality CATV	Dec.	
Hendricks County	Quality CATV	Dec.	
Hillsboro	Quality CATV	Aug.	
Indianapolis	ATC	Feb.	140,000
Kirkland	Quality CATV	Mar.	
Montgomery County	Quality CATV	Jun.	
New Chicago	US Cable of Northern Indiana	Jun.	
New Palestine	Quality Cable of Sheridan	Aug.	
New Ross	Quality Cable	May	
North Salem	Quality Cable	May	
Orstes	Quality Cable	Dec.	
Ossian	Citizens Cable	Feb.	
Waynetown	Quality CATV	May	
Whitestown	Quality CATV	May	
Whiting	US Cable of Northern Indiana	Aug.	
Iowa			
Denver	Heritage	Dec.	
Dysart	Heritage		
Polk City	Heritage		
Traer	Heritage		
Waukee	Heritage	May	
Kansas			
Bel Aire	Multimedia		
Kechi	Multimedia		
McConnel AFB	Multimedia		
Park City	Multimedia		
Kentucky			
Bullitt County	Matrix	Jan.	10,000
Campbell County	Storer	Jul.	
Eminence	Shelby Cable TV Co.	Jan.	
Indian Hills	CPI of Louisville	Jan.	
Keeneland	CPI of Louisville	Mar.	
Lexington	TeleCable		
Middletown, Manor Creek	Storer of Jefferson County	Jul.	
Oldham	Oldham County Cablevision	Oct.	10,000
Louisiana			
Morganza	Wometco		
St. James Parish	Wometco		
Washington	Wometco		
Maryland			
Prince Georges County:			
North	Storer	Dec.	120,000
South	MetroVision	Dec.	100,000
Massachusetts			
Andover	Rollins	May	8,690
Boston	Cablevision Systems	Jul.	250,000
Brockton	Continental	Oct.	35,000
Brookline	Times Mirror	Sep.	
Clinton	Wachusett Cablevision	Jul.	4,000
Dracut	Rollins	Jan.	7,100
Essex	New England Cablevision	Jul.	1,050
Fairhaven	Cablevision Industries	Jan.	6,437
Franklin	Rollins	Mar.	5,675
Hatfield	Continental		
Ipswich	Ipswich Cablevision	Jun.	3,400
Kingston	Campbell Communications	Apr.	2,261
Manchester	New England Cablevision	Jun.	2,000
Lynnfield	Adams-Russell	Oct.	3,572
Maynard	Adams-Russell	Mar.	3,886
Milford	Colonial Cablevision	Jun.	8,915
Newbury	American Cablesystems	May	2,100
North Reading	Rollins	Nov.	
Norwood	Adams-Russell	Jun.	10,100
Quincy	American Cablesystems	Feb.	33,500
Somerset	Rollins	Jan.	5,430
Southampton	Greater Media	Nov.	800
Springfield	Continental	Sep.	57,340
Swansea	Rollins	Jan.	4,600
Taunton	UA-Columbia	Feb.	14,000
Wakefield	Warner Amex	Mar.	9,105
Watertown	Continental	Jan.	13,020
Westwood	Adams-Russell	Dec.	4,225
Williamsburg	Continental		
Michigan			
Belleville	Capital Cities	Apr.	1,300
Dearborn	Teleprompter	Apr.	35,000
Hazel Park	Continental		
Inkster	Barden Cablevision	Oct.	
Oak Park	Continental		
Riverview	United Cable	Aug.	4,791
Royal Oak	Barden Cablevision	Oct.	

Cable stats

State/location	Company name	Month[1]	Homes[2]
Shelby	Comcast	Mar.	
Southfield	Continental	Oct.	33,000
Trenton	United	Mar.	7,700
Minnesota			
Alvarado	Alvarado Cable TV	Aug.	162
Argyle	Argyle Cable TV	Jan.	310
Brainerd	Teleprompter	Jul.	
Columbia Heights, Hilltop	Teleprompter	Nov.	7,700
Courtland	Sleepy Eye CATV	Jul.	143
Eden Prairie, Edina, Hopkins, Minnetonka, Richfield	Rogers	Feb.	57,000
Granada	Granada CATV	Aug.	
Hawley	Hawley Communications	Apr.	615
Henning	Henning Cable TV	Aug.	360
Jordan	Valley View Cable	Jun.	1,000
Luverne	Zylstra Communications	Mar.	1,804
Mankato	ATC	Feb.	
Minneapolis suburbs—Northwest Suburban Consortium: Brooklyn Park, Brooklyn Centre, Crystal, Golden Valley, Maple Grove, New Hope, Osseo, Plymouth, Robbinsdale	Storer	Sep.	
New York Mills	Town "N" Country Video	Jan.	467
Worthington	Zylstra Communications	Apr.	
Missouri			
Arnold	Community Cablevision	Apr.	
Brentwood	Continental	Apr.	
Clayton	Continental	Feb.	5,730
Crystal City	Community Cablevision	Feb.	
DeSoto	Community Cablevision	Feb.	
Festus	Community Cablevision	Feb.	
Franklin County	Cable World Inc.	Mar.	
Herculaneum	Community Cablevision	Feb.	
Hillsboro	Community Cablevision	Apr.	
Houston Lake	American Cablevision	Aug.	
Liberty	American Cablevision	Apr.	
North Woods	Continental		
Olivette	Warner Amex	Aug.	
Overland	Continental	Feb.	
Pevely	Community Cablevision	Feb.	
Pine Lawn	Continental	Feb.	
Richmond Heights	Warner Amex	Dec.	
St. Louis	TCI	Apr.	
St. Louis County:			
A/Far North	Storer	Apr.	37,000
B/Mid North	ATC	Apr.	28,000
C/Southwest	Warner Amex	Apr.	21,000
D/West	United	Jun.	43,000
E/Far South (Mehlville)	Sammons	Jun.	29,000
F/Northwest	American Cablevision	Aug.	
Springfield	Telecable		
Times Beach	Warner Amex	Jul.	
Warson Woods	Telcom Cablevision Inc.	May	650
Nebraska			
Pierce	Cablecom General	Feb.	
Pierce County	Cablecom General	Nov.	
Unic. Sarpy County	Cablevision of Plattsmouth	Jul.	300
Tilden	Cablecom General	Feb.	
Nevada			
Clark County	Community Cable TV/Times Mirror	Sep	
New Jersey			
Bernard Township	Cross Country Cable	May	
Passaic Township	Commonwealth Cable Systems	Mar.	2,325
Paterson	Passaic County Cable	Apr.	50,000
Princeton Township	Dow Jones/Prime Cable	Feb.	5,000
Woodstown	Penn Communications	Oct.	
New York			
Albion	Global CATV	May	
Cedarhurst	Cablevision systems	Feb.	
Cold Spring	US Cablevision	Jul.	
Collins	US Cable	Jun.	
Concord	US Cable	Apr.	
East Hills	Cablevision Systems	Aug.	
East Randolph	US Cable	May	
Floral Park	Cablevision Systems	Feb.	
Garden City	Cablevision Systems	Feb.	
Gowanda	US Cable	Jun.	
Great Neck	Cox	Feb.	11,500
Hudson Valley	Adams-Russell	Feb.	
Lawrence	Adams-Russell	Sep.	2,000
Lynbrook	Adams-Russell	Apr.	8,300
Mamaroneck, Larchmont	UA-Columbia of Westchester	Mar.	
Perrysburg	US Cable	Jun.	
Poquott	Brookhaven Cable	Mar.	
Port Chester	Adams-Russell	Jul.	9,200
Randolph	US Cable	May	
Rockville Centre	Cablevision Systems	Jun.	
Rye	UA-Columbia of Westchester	Mar.	
Springville	US Cable	Mar.	
Summers	Adams-Russell	Aug.	4,543
Yorktown	Adams-Russell	Feb.	9,000
North Carolina			
Farmville	Wometco		
Four Oaks	Wometco		
Guilford County	Wometco		
Morrisville	Wometco		
Pitt County	Wometco		
Rolesville	Wometco		
Stoneville	Wometco		
Wakeforest	Wometco		
Wendell	Wometco		
Ohio			
Avon, Avon Lake	Continental Cablevision	Oct.	

Cable stats

State/location	Company name	Month[1]	Homes[2]
Berea	Complexicable	Sep.	
Brunswick	Brunswick Cable	Oct.	
Fairport Harbor	Continental Cablevision	Oct.	
German Township	Centel	Dec.	1,400
Highland Heights	Viacom	Dec.	
Lawrenceville	Centel	Dec.	80
Macedonia	Western Reserve Cablevision	Feb.	
Maumee	Buckeye	Jan.	
Milford Center	Centel	Jan.	400
North Hampton	Centel	Dec.	170
Northwood	Condor Cablevision Co.	Dec.	
Painesville	Continental	Feb.	
Pleasant Township, Harrisburg	Able Communications	May	
Prospect	Centel	Apr.	800
Richwood	Centel	Apr.	800
Riveredge	Riveredge Cablevision	Dec.	
Timberlake	Continental Cablevision	Oct.	
Twinsburg	Western Reserve Cablevision	Feb.	
Oklahoma			
Erin Springs	Multimedia		
Grandfield	Southwest Cable TV	Feb.	
Oregon			
East Portland	Cablesystems Pacific/Rogers	Mar.	
Newburg, Dundee	Liberty	Oct.	
Washington County	Storer-Metro	Dec.	
Pennsylvania			
Middletown	Alda Group	Jun.	
Northampton	CMR Corp.	Feb.	
South Carolina			
Campobello	US Cable	May	
Central Pacolet	US Cable	Apr.	
Chesnee	US Cable	Jun.	
Colleton County	Storer		
Cowpens	US Cable	Feb.	
Duncan	US Cable	Mar.	
Inman	US Cable	Jan.	
Landrum	US Cable	May	
Lyman	US Cable	Mar.	
Newberry County	Acton Corp.		
Pacolet	US Cable	Feb.	
Pacolet Mills	US Cable	Apr.	
Pine Ridge	Wometco		
South Congares	Wometco		
Spartanburg County	US Cable	Mar	
Wellford	US Cable	Mar.	
Tennessee			
Ashland City	Cablevision Enterprises of TN/TCA	Nov.	
Collierville	Heritage	Apr.	
Fairview	Visual Communications	Feb.	
Germantown	Germantown Cablevision	Dec.	
Memphis	Memphis CATV/ATC	Feb.	
Rutherford County	Murfreesboro TV/ Rutherford Co.	Feb.	
Texas			
Arlington	Telecable		
Cockrell Hill, Lakeside, Rockside, Oak Ridge, Beauvilla	Storer	Mar.	160,000
Fort Worth	Sammons		
Grafford	B&F Communications Systems	Aug.	
Irving	Teleprompter	Apr.	45,000
Laredo	Vumore Co.	Jul.	
Plano	Collin County Communications/ Storer	Dec.	20,000
Seadrift	Stellar TV Inc.	Mar.	
Utah			
Fruit Heights	Wasatch Cable	Nov.	
Vermont			
Bartonsville	Youngs Community TV		
Colchester, Milton, Georgia	Lake Champlain Cable Television		
Colchester (part)	Greenmountain CATV/Telesystems		
Forestdale (in Brandon)	Forestdale Cable Co.		
Mendon (part)	Rutland CATV-Telesystems		
North Clarendon	McClellan Appliances		
North Hyde Park, adjacent Johnson	EMCO CATV		
Wells	EMCO CATV		
Virginia			
Ashland	Continental		
James City County	Continental		
Suffolk	Cross Country Cable	Sep.	11,600
Washington			
Seattle	Telepromter	Feb.	
Vancouver/ Clark County	Cox	Jul.	
Washougal	Woodstock Radiant TV/ US Cablesystems	May	2,000
Wisconsin			
Cedarburg	Total TV of Ozaukee County	Feb.	
Cudahy	Viacom	Apr.	
Fox Point, Glendale	Viacom	Feb.	
Greenfield	Viacom	Feb.	
Greendale	Viacom	Apr.	
Hales Corners	Southwest Cablevision	Aug.	
Kewaskum	River Bend Cablevision	Feb.	
Mequon	RVS Cablevision	Dec.	
Muskego	RVS Cablevision	Nov.	
Sankville	RVS Cablevision	Feb.	
St. Francis	RVS Cablevision	Jul.	
Thieusville	RVS Cablevision	Apr.	
Verona	Viking CATV	May	

[1] Month refers to the effective franchise date.

[2] Homes refers to the number of homes in the franchised area.

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs	Pay Units
1.	Tele-Communications Inc.	1,900,000	N.A.
2.	American Television and Communications	1,900,000	1,568,000
3.	Group W Cable	1,642,381	977,182 (1/82)
4.	Cox Cable Communications	1,131,981	1,003,398
5.	Storer Cable Communications	920,000	1,030,000
6.	Warner Amex Cable Communications	907,266	623,696
7.	Times Mirror	675,847	427,209 (2/82)
8.	Newhouse Broadcasting[1]	618,723	488,568
9.	Rogers-UA Cablesystems	589,385	568,787
10.	Viacom Cablevision[2]	532,440	374,338
11.	Continental Cablevision	484,000	472,000
12.	United Cable Television Corp.	475,268	390,555
13.	Sammons Communications	456,593	233,145
14.	TeleCable Corp.	309,900	168,200
15.	Capital Cities Cable	297,420	181,168
16.	General Electric Cablevision Corp.	295,000	150,000
17.	Heritage Communications	248,231	164,077
18.	Comcast Corp.	228,473	198,177
19.	Liberty Communications	226,000	104,000
20.	Cablevision Systems Development	225,107	219,959
21.	Daniels & Associates Inc.	220,300	114,600
22.	Wometco Communications Inc.	202,912	165,270 (4/7)
23.	Tele-Media Corp.	200,800	N.A.
24.	Service Electric Cable TV	189,000	N.A.
25.	TCA Group	181,718	49,736
26.	Maclean Hunter	170,642	234,616
27.	Century Communications	169,500	102,000
28.	Multimedia Cablevision Inc.	160,734	169,161
29.	Colony Communications	148,909	123,862 (3/20)
30.	Western Communications Inc.	148,900	47,500
31.	Jones Intercable Inc.	141,440	76,666
32.	Prime Cable	128,403	101,967
33.	Centel Cable Television Co.	120,189	79,382
34.	Harris Cable Corp.	116,500	76,270
35.	Midwest Video	114,615	N.A.
36.	Communications Service Inc.	110,000	N.A.
37.	Tribune Company Cable	108,375	78,264
38.	Rollins Cable Vue Inc.	107,600	53,300
39.	McCaw Communications[3]	101,855	38,312
40.	Communications Systems Inc.	89,302	151,281
41.	Harron Communications Corp.	89,093	N.A. (12/81)
42.	Buckeye Cablevision	88,454	34,931
43.	Cable Vision Industries	88,343	43,955
44.	Sutton Capital Group[4]	87,500	N.A. (2/82)
45.	Armstrong Utilities[5]	85,284	50,904
46.	Omni Cable TV Corp.	78,099	60,345
47.	Cablentertainment	77,836	22,194
48.	Multi-Channel TV Cable Co.	75,332	N.A.
49.	Palmer Communications	75,229	16,787
50.	McDonald Group	74,793	44,975
51.	Adams-Russell Co.	72,110	50,465
52.	Alda Group	69,256	99,319
53.	Perry Cable TV Corp.	67,567	28,269 (2/82)
54.	King Videocable Co.	65,930	28,435
55.	Buford Television	64,395	38,958 (12/81)
56.	Summit Communications	62,728	60,616 (4/5)
57.	Omega Communications	60,000	N.A.
58.	WEHCO Video	59,794	28,655
59.	Televents	58,060	24,827
60.	Booth Communications	55,614	24,058
61.	Coaxial Communications	55,288	N.A.
62.	American Cablesystems Corp.	55,000	40,000
63.	Cable America	55,000	N.A.
64.	National Telecommunications Co.	54,950	16,500
65.	Pencor Services Inc.	54,046	17,358 (2/28)
66.	Gulf Coast Cable Television Ltd.	53,436	94,845
67.	The Essex Group	53,156	18,607
68.	US Cable Corp.	51,418	62,627
69.	Consolidated Cable Systems	50,600	N.A. (1/82)
70.	Ultracom Inc.	48,139	N.A. (1/82)
71.	Acton Corp.	47,682	31,743
72.	Total TV Inc.	44,527	34,219
73.	Cable TV of Puget Sound	44,042	23,277 (4/3)
74.	Sonic Cable TV	43,642	N.A. (7/81)
75.	Adelphia	43,551	18,392
76.	Clear TV Cable Corp.	43,400	N.A.
77.	Falcon Communications	43,000	N.A.
78.	Greater Media	40,775	22,906
79.	Lenfest Group	40,250	23,100
80.	Susquehanna Broadcasting	40,182	14,215
81.	The Daily Press	40,000	34,000
82.	Nor-Cal Cablevision (McClatchy-Viacom)	39,932	15,959
83.	National CableSystems Inc.[6]	34,382	16,067 (4/1)
84.	Joseph S. Gans	33,300	6,500
85.	Oak Communications	33,250	21,152
86.	Columbia Communications	31,645	54,757 (4.1)
87.	Selkirk Communications	30,789	37,331 (4/1)
88.	Commonwealth Cable of Massachusetts	28,313	17,266 (3/20)
89.	Helicon Corp.	28,000	10,900
90.	Lawrence Flinn Jr.	26,952	22,698
91.	American Cable Television Inc. (Phoenix, AZ)	26,585	32,289
92.	Midcontinent Cable Systems	26,000	10,000
93.	Gerity Cablevision	25,730	12,046
94.	Matrix Enterprises	25,251	N.A.
95.	Mid America Media	24,700	8,300
96.	Cable Holdings Inc.	24,482	20,000 (1/82)
97.	Potomac Valley TV Co.	24,247	7,357
98.	Mickelson Media	23,307	15,256
99.	FNI Communications	23,307	15,256
100.	Telfron Inc.	23,147	11,452 (4/1)

[1] Newhouse Broadcasting includes MetroVision, NewChannels, Vision Cable.
[2] Viacom Cablevision includes 40% ownership in Nor-Cal Cable.
[3] McCaw Communications includes acquisition of Southern Oregon Cable.
[4] Sutton Capital Group includes systems owned and with controlling interest.
[5] Armstrong Utilities includes Armstrong Communications Corp., National Cable TV Corp., North Lauderdale Cable.
[6] National CableSystems includes systems owned and/or managed.

Top 100 systems

Rank	Location	Operator	Basic Subs	Pay Units
1.	San Diego, CA	Cox Cable	213,760	122,654
2.	Manhattan, NY	ATC	156,250	87,850
3.	Oyster Bay (Long Island), NY	Cablevision Systems	149,552	N.A.
4.	West Orange, NJ	Maclean Hunter	135,383	161,599
5.	Los Angeles, CA	Group W Cable		
6.	Wayne, NJ	Rogers-UA Cablesystems	104,286	101,033 (4/6)
7.	San Antonio, TX	Rogers-UA Cablesystems	102,856	188,740 (4/6)
8.	Tulsa, OK	United Cable	99,220	85,987
9.	Erie County, NY	Prime Cable	92,965	65,311
10.	San Jose, CA	Gill Industries		
11.	Audubon, NJ	NYT Cable	89,600	94,568
12.	Tidewater, VA	Cox Cable	85,297	126,326
13.	Austin, TX	ATC	83,500	44,850
14.	Central Islip, NY	Viacom	81,277	59,230
15.	Orlando, FL	ATC	79,100	66,750
16.	Jefferson Parish/Kenner, LA	Cox Cable	73,780	107,000
17.	Grand Rapids, MI	General Electric	70,500	37,700 (4/15)
18.	Toledo, OH	Buckeye Cablevision	70,447	29,703
19.	Hartford/Meriden, CT	Times Mirror	70,392	49,587 (2/82)
20.	Manhattan, NY	Group W Cable		
21.	Seattle, WA	Group W Cable		
22.	Wilmington, DE	Rollins Cable	68,000	31,300
23.	Honolulu, HI	ATC	67,550	60,500
24.	San Diego, CA	ATC	63,100	37,300
25.	South Bend, IN	Buford	63,000	N.A.
26.	San Francisco, CA	Viacom	62,137	37,199
27.	Baton Rouge, LA	Daniels	59,900	N.A.
28.	Flint, MI	Comcast	58,961	31,872
29.	Memphis, TN	ATC	58,250	86,950
30.	Wichita, KS	Multimedia Cable	57,446	74,830
31.	Monterey, CA	Western	57,300	14,800
32.	Buffalo, NY	Minneapolis Star	57,239	46,238 (4/3)
33.	Jacksonville, FL	ATC	57,200	76,050
34.	Santa Barbara, CA	Cox Cable	56,980	25,200
35.	Columbus, OH	Warner Amex	56,000	N.A.
36.	Allentown, PA	Twin County	55,000	N.A.
37.	Melbourne, FL	ATC	54,750	24,575
38.	Baltimore County, MD	Caltec Cable	53,687	67,811 (4/2)
39.	Greater San Juan, PR	Harris Cable	53,333	N.A.
40.	Suburban Rochester, NY	People's Cable	53,115	39,048 (4/7)
41.	Harrisburg, PA	Sammons	52,066	24,543
42.	Snohomish County, WA	Viacom	51,444	26,635
43.	Binghamton, NY	NewChannels Corp.	52,137	25,219
44.	Seattle, WA	Viacom	49,647	34,782
45.	Boston Complex, MA	Warner Amex	49,200	N.A.
46.	Louisville, KY	Times Mirror	48,977	64,870 (2/82)
47.	El Paso, TX	Group W Cable		
48.	Columbus, OH	Coaxial Communications	48,288	N.A. (3/20)
49.	Canton, OH	Warner Amex	47,200	N.A.
50.	Reading, PA	ATC	46,550	23,800
51.	Sarasota, FL	Storer Cable	46,279	N.A.
52.	Des Moines, IA	Heritage	45,871	43,391
53.	San Rafael Aurin, CA	Viacom	45,854	19,535
54.	Shreveport, LA	ATC	45,550	28,550
55.	Pompano Beach, FL	American Cable TV	45,340	40,283
56.	San Diego County, CA	Times Mirror	45,221	13,483 (2/82)
57.	Peoria, IL	General Electric	45,059	24,035
58.	Akron, OH	Warner Amex	44,400	N.A.
59.	West Haven, CT	Storer	44,211	N.A.
60.	Eugene, OR	Group W Cable		
61.	Northwestern Houston, TX	Warner Amex	43,700	N.A.
62.	Charlotte, NC	ATC	43,250	30,450
63.	Albany, NY	ATC	43,050	24,900
64.	Spokane, WA	Cox Cable	43,330	43,278
65.	New Britain, CT	United	41,986	22,810
66.	Birmingham, AL	ATC	41,100	15,100
67.	Moline/Quint Cities, IL	Cox Cable	40,996	36,424
68.	Scranton, PA	Verto Cable TV	40,532	7,781
69.	Concord, CA	Western	40,500	15,100
70.	Dade/Broward Counties, FL	Storer	40,107	N.A.
71.	Lincoln, NE	MetroVision	40,000	17,746
72.	Bakersfield/Kern County, CA	Warner Amex	40,000	N.A.
73.	Charleston, SC	Storer	39,753	N.A.
74.	Brookhaven, NY	Rogers-UA	39,651	16,021 (4/6)
75.	Branford, CT	Rollins Cable	39,600	22,000
76.	Bridgeport, CT	Alda Group	39,480	N.A.
77.	Port Arthur, TX	Liberty Communications	39,314	18,766
78.	Jackson, MS	ATC	39,200	29,600
79.	Lansing, MI	Continental	39,000	26,000
80.	Rockford/Loves Park, IL	General Media	39,000	18,900
81.	Overland Park, KS	TeleCable Corp.	38,600	25,800
82.	Naples/Marco, FL	Palmer Communications	38,189	9,284
83.	Cleveland, OH	Viacom	37,903	46,502
84.	Winston-Salem, NC	Summit Communications	37,819	25,876 (4/5)
85.	Deerfield, NY	Harron Communications	37,047	N.A. (2/82)
86.	Palm Desert, CA	Palmer Communications	37,040	7,502
87.	Fayetteville, NC	ATC	37,000	23,250
88.	West Palm Beach, FL	Group W Cable		
89.	Stuart, FL	Perry	36,758	N.A. (2/82)
90.	St. Petersburg, FL	Group W Cable		
91.	Springfield, IL	Times Mirror	36,308	14,896 (2/82)
92.	Honolulu, HI	TV Systems Inc.	36,000	N.A. (2/82)
93.	Cleveland, OH	Cox Cable	35,756	63,707
94.	Dover, NJ	Sammons	35,334	16,346
95.	Beacon, NY	Colony Communications	34,988	N.A.
96.	Madison, WI	Complete Channel TV	34,500	19,500 (4/10)
97.	Waterbury, CT	Sammons	34,266	16,346
98.	Pensacola, FL	Cox Cable	34,265	28,423
99.	Cincinnati Suburbs, OH	Warner Amex	34,200	N.A.
100	Syracuse, NY	NewChannels	34,140	31,364 (4/9)

Note: Basic subscriber and pay unit counts are as of 3/31 unless noted otherwise.

Satellite-delivered cable television program services

Basic services	Satellite/ transponder	Start-up date	Affiliates		Subscribers		Percent growth	Price per subscriber	Programming hours
			3/81	3/82	3/81	3/82			
ACSN	Satcom III-R/16	10/79	132	214	590,000	1,387,186	135	5¢ (max.)	6 am-4 pm M-F 6 am-1 pm wkends
BET	Satcom IV/3	1/80	630	845	6,539,641	7,100,000	8.6	1¢	11 pm-2 am Fri (will change soon)
CBN	Satcom III-R/8	4/77	2,751	2,800	9,371,500	15,700,000	68	free	24/day
CBS Cable	Westar IV/3D	10/81	—	350	—	4,000,000	—	Free, 15¢ on tier	4:30 pm-4:30 am
CNN	Satcom III-R/14	6/80	983	2,142	5,373,887	11,815,650	120	15¢ w/TBS 20¢ w/o TBS	24/day
CNN2	Satcom III-R/15	1/82	—	83	—	870,000	—	free w/CNN 5¢ w/o CNN 10¢ on tier	24/day
C-SPAN	Satcom III-R/19	3/79	965	1,200	7,100,000	11,000,000	55	3¢	9 am-1 am
Daytime	Satcom III-R/22	3/82	—	250		4,200,000	—	free	1-5 pm
ESPN	Satcom III-R/7	9/79	1,739	3,545	8,915,015	15,382,371	73	4¢/original sub[1]	24/day
Eternal Word Television Network	Westar IV/10D	8/81	—	25	—	315,000	—	free	7-11 pm
MSN	Satcom III-R/22	1/79	465	541	3,500,000	4,100,000	17	free	10 am-1 pm M-F
MTV	Satcom III-R/11	8/81	—	600	—	4,000,000[°]	N.A.	free	24/day
National Christian Network	Satcom IV/7	6/80	—	30	—	318,684	—	free	14/day
National Jewish Television	Satcom III-R/16	5/81	—	86	—	1,837,500	—	free	1-4 pm Sunday
Nickelodeon	Satcom III-R/1	1/80	975	1,725	4,500,000	7,700,000[°]	71	15¢	14/day
North American Newstime	Satcom III-R/6	12/78	114	117	822,254	894,193	9	5¢ (avg.)	24/day
PTL	Satcom III-R/2	4/78	308	570	3,800,000	5,100,000	34	free	24/day
SIN	Westar IV/3X	9/79	100	175	2,652,100	21,393,490[2]		10¢ per Spanish surname paid to operator	24/day
SPN	Westar IV/11X	1/79	202	457	2,080,685	4,369,571	110	free	24/day
Trinity	Satcom IV/17	5/78	60	170	500,000	1,587,000	217	free	24/day
USA Network	Satcom III-R/9	9/77[3]	1,250	1,800	7,000,000	10,500,000	50	11¢ on basic 20¢ on tier	24/day
The Weather Channel	Satcom IV/21	5/82	—	—	—	—	—	free on basic charge on tier	24/day
WGN	Satcom III-R/3	11/78	1,413	2,605	5,356,051	8,176,200	53	fulltime-10¢ parttime-1¢	24/day
WOR	Satcom III-R/17[4]	4/79	725	1,309	3,280,000	4,864,600	48	10¢	24/day
WTBS	Satcom III-R/6	12/76	2,956	4,052	11,488,785	20,375,000	77	10¢	24/day

Basic audio services	Satellite/ transponder	Start-up date	Affiliates		Subscribers		Percent growth	Price per subscriber	Programming hours
			3/81	3/82	3/81	3/82			
Lifestyle	Satcom III-R/3	3/81	1	50	4,157	482,216	1,150	1¢	24/day
WFMT	Satcom III-R/3	8/79	47	121	364,588	738,440	103	1¢, 10¢ FM	24/day
Pay services									
Bravo	Satcom IV/6	12/80	26	26	63,000	48,300	-23	N.A.	8 pm-6 am
Cinemax	Satcom III-R/ 20 (east) 23 (west)	8/80	200	900	200,000	1,500,000	400	$3.20 or 35% of sub charge over $7.00	24/day
Escapade	Satcom IV/7	9/80	26	115	63,000	206,000	227	N.A.	8 pm-6 am
Galavision	Westar IV/12X	10/79	70	134	65,000	100,000	54	$4-$5	24/wkends 12/wkdays
HBO	Satcom III-R/ 13 (west) 24 (east)	9/75	2,500	3,300	6,000,000	8,500,000	42	$3.85 (est.)	24/day
Home Theater Network[5]	Satcom III-R/21	7/77	160	275	160,000	155,000	-3	$2.00	8 pm-10 am M-Sat
Home Theater Network Plus	Satcom III-R/16	3/82	—	N.A.	—	N.A.	N.A.	$2.95 (avg.)	4 pm-4 am
The Movie Channel	Satcom III-R/5	12/79	950	2,150	875,000	2,200,000[°]	151	$3.75	24/day
Showtime	Satcom III-R/	7/76	1,000	1,300	1,600,000	2,960,000	79	N.A.	24/day

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[1] Network compensation, 5¢ per actual sub paid semi-annually.

[2] Total television households. Estimated Spanish-speaking households (including broadcast stations and translators): 2,772,500.

[3] Debut originally as Madison Square Garden Network; 4/80 debut as USA Network.

[4] Plans to move to Westar IV June 30 (when Cable Health Network debuts) until Westar V is launched and operational.

[5] Home Theater Network will be discontinued June 30, 1982, and replaced by Home Theater Network Plus.

[°] As of 5/1/82.

-1 C8920-2 5/12/82

- NCTA convention produces surprises, the expected
- The Movie Channel plans to pay for subscribers
- ABC announces startling new programming thrusts
- Competition warnings sounded for cable industry

CableVision™

The news and features weekly of the cable television industry

May 17, 1982

Cable delivers!
NCTA

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Alan Gerry: Poleclimber vaults to MSO chairman

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NCTA's 31st annual convention attracted more than 16,000 showgoers to Las Vegas.

Cable '82

There was a great deal more than hot air floating around the Las Vegas Convention Center as a record number of attendees viewed 140,000 square feet of displays and participated in more than 50 seminars. **Leading the week, pages 13-18.**

ABC at full gallop

ABC stuns some industry observers with plans to form alliance with Cox Cable and to involve affiliates in pay TV. **Leading the week, pages 13-18.**

Bounty for the mutinous

The Movie Channel has unveiled plans to pay affiliates for new subscribers while providing protection against rate hikes. **Leading the week, pages 13-18.**

Scripps long on voters

It was the second time around but voters in Longmont, Colo., finally decided Longmont Communications Corp., an affiliate of the Scripps-Howard Broadcasting Co., will do the cabling of the 16,000-home city. **Leading the week, pages 13-18.**

Fielding competition

The closing message from the NCTA convention dealt with increasing competition and a warning not to take the new entries lightly. **Page 23.**

Sound warnings

Al Gilliland and Tom Wheeler set the tone of the NCTA annual convention with a strong warning about Ma Bell's intentions on entering the industry. **Page 23.**

Counterattack

Rep. Tim Wirth urges the cable industry to support H.R. 5158 and at the same time blasts AT&T's effort to kill the measure. **Page 34.**

The award winners

Ralph Baruch, Kay Koplovitz and Carolyn Chambers led the list of industry executives honored for their work during the past year. **Page 35.**

'Cable Street' leaders

John Malone, Ralph Roberts, Gene Schneider and Glenn Jones have been ranked as the top of cable's fiscal performers. **Page 90.**

Legal entanglement

Sen. Barry Goldwater addressed the NCTA convention via C-SPAN and presented his case for a national policy for the industry. **Page 101.**

This week in *CableVision Plus*

It's a classic story: Alan Gerry, former poleclimber, now is chairman and CEO of Cablevision Industries. The 91,000-subscriber MSO, operating in four states, is one of the last of a special breed—an independent, privately held, pure cable business. Another version of success is told in the story of Ed Covington and Ted Anderson, partners in Automation Techniques. The pair created and marketed the G(reat) L(ittle) R(eceiver)-500, a plain-Jane unit that is the staple in a now-expanded product line. A look at subscription trends in areas of the country hard-hit by the recession completes this week's Business/Finance theme. Pages 51-74.

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Sotheby spokesman stressed, however, that this project is "several years down the road," and is one of a number of cable projects the organization is studying.

WASEC happy with figures

LAS VEGAS—WASEC's research department, headed by Marshall Cohen, is very happy with the latest results of a special Nielsen study on Music Television (MTV) which Warner Amex Satellite Entertainment commissioned. Cohen, a long-time advocate of more specific demographics measuring not just ratings but viewer background, program enjoyment and other social data, worked with Nielsen on a telephone interview survey done in three markets: Palisades Park, N.J. (Vision Cable), Grand Rapids, Mich. (G.E. Cablevision), and San Jose, Calif. (Gill Cable). After over 1,000 interviews with MTV subscribers, the Nielsen Home Video Index offers no surprises: MTV viewers are young, upscale, include both males and females and are very happy with the programming (75 percent rated MTV good to excellent). The good word about Music Television isn't the only reason WASEC is anxious to spread the news. Cohen insists, "Our point is that we have to go beyond just counting heads. We have to get into studies which get into the quality of the audience and their reactions to the programming." The study will be released this week.

Top advertisers buying cable

NEW YORK—Cable is definitely catching on with the leading national television advertisers. Of the 100 top television advertisers in 1981 (as released by the Television Advertising Bureau), 83 are participating as sponsors or time buyers in cable. The top 10 national TV advertisers are all major cable boosters, including General Foods, General Motors, Bristol-Myers and Philip Morris. Still missing on cable's list, however, are McDonald's (an SIN advertiser), Clorox, Nesfood, Inc., and Heublein Inc. (owners of Kentucky Fried Chicken).

Converter testing scheduled

LAS VEGAS—CableData's addressable converters will be field tested in Heritage's Des Moines, Iowa, system in August and United's Tulsa, Okla., system in September. The two MSOs, longtime CableData software customers, will pay only a fraction of the unit's customary $150-200 cost. "It's a test. If it works, we'll consider it a sale and look at the payment as a deposit," said a CableData spokesman. CableData hopes for other early takers, though full production awaits bulk delivery of customized chips designed by Texas Instruments.

Corrections, clarifications

CableVision incorrectly reported that *TV Guide* reporter Sally Bedell will cover cable fulltime for the *New York Times*. In fact, her beat will cover all aspects of television. She starts May 14.

In the "Top 50 financial overview" chart appearing on pages 230-234 of the May 10 *CableVision*, the explanatory footnotes were inadvertently omitted. The complete chart will be rerun in the May 24 issue.

The "Cable stats" section of the April 26 issue of *CableVision* showed Cinemax's subscriber count at 6,000,000; it should have been 1,000,000.

On the record

Matrix Enterprises, Franklin, Tenn., acquired Suburban Cablevision, a small MSO in the Toledo, Ohio, area. Matrix will add the 14,000 homes under franchise to its north central regional operation, which includes 22,500 homes under franchise in Cleveland suburbs and 10,000 households under franchise in Chicago suburbs.

■ It's official—Colony/Harbor Cablevision, a subsidiary of Colony Communications, was awarded the franchise to serve the Harbor City, Wilmington and San Pedro sections of Los Angeles. Colony/Harbor, owned by Colony and several local investors, got the nod for the 27,000-home franchise area from all the recommending committees. It is Colony's first venture in Southern California. ATC and South Central CATV also applied.

■ The TCI-Taft joint venture has completed the acquisition of cable systems serving six towns in Michigan and a Michigan-based microwave company from the Plains Cable Television Group. The cable systems serve 30,000 basic and 10,000 pay subs. The microwave company serves 39 cable systems in Michigan and Wisconsin as well as broadcast network stations and radio stations in Michigan. The joint venture plans to use the microwave system to deliver cable programming on a regional basis, officials said.

■ Eastman CableRep has been signed as the exclusive national sales representative for Colony Communications. The MSO serves some 150,000 subscribers in more than 50 franchise areas in Florida, Massachusetts, New York, Pennsylvania, Rhode Island, Vermont and California.

■ Three more MSOs have been added to the Cable Coupon Network's *Cablecash* program. Jones Intercable Inc., Newschannels Corporation and Century Communications Corporation have entered into agreement to provide the program to subscribers in selected systems beginning this month. These operators join Cox Cable, Storer, Group W Cable, Viacom, TCI and United, which are among the larger MSOs now participating in the program.

■ ESPN launched an Affiliate Informational Network this month to provide its more than 3,600 affiliates with up-to-date schedule information and changes. The network will transmit data twice daily, operating on one of ESPN's existing audio subcarriers and transmitting along with ESPN's video and audio signals on Satcom III-R, transponder 7.

■ ESPN and Metrosports, a sports syndication network, have signed an exclusive agreement for major college football and basketball events. The deal will give ESPN the cable rights to 80 Big Ten conference basketball games, Notre Dame football and basketball, the Liberty Bowl, the Aloha Bowl, and UCLA basketball, among other events.

■ Nickelodeon has been honored with a special award by the National Education Association for the advancement of learning through broadcating. Eleven television productions and one radio series received the awards, the first given by the teacher's organization since 1967.

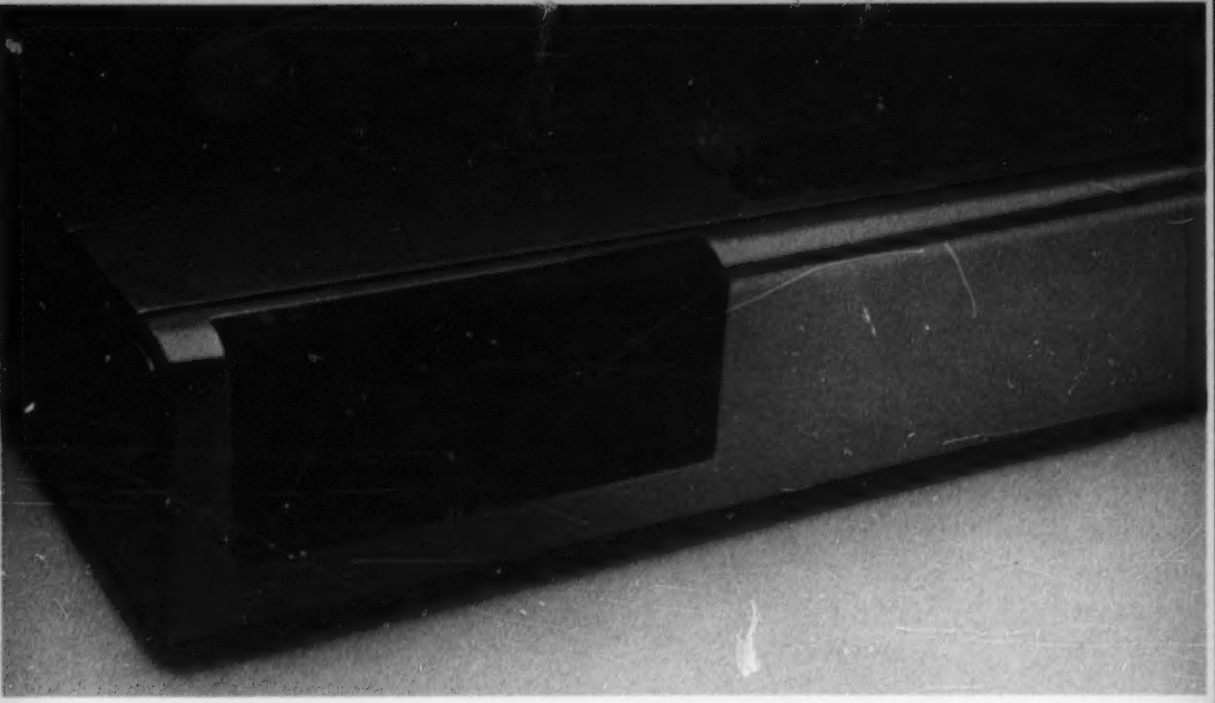
■ A new music series, *Just Country*, premieres this month on Satellite Program Network. Other series coming to SPN over the next few weeks are *Balanced Living* and *The Gourmet*.

This week:
Business & Finance

- Alan Gerry: poleclimber vaults to chairman, p. 4
- Snapshots from the recession, p. 14
- Inventiveness spells success for Tulsa partners, p. 20

CableVision

A weekly feature supplement
Vol. 1 No. 18



Scientific-Atlanta introduces the computer that thinks it's a set-top terminal

May 17, 1982

SANDUSKY, OHIO
EUGENE, ORE.
TOLEDO, OHIO
FLINT, MICH.

Cable candids

Snapshots of markets hit hardest by the recession show basic steady, multipay fuzzy.

By Gary Rothbart

Cable operators who know where their bread is buttered are selling the steak, not the sizzle, in markets where unemployment is high.

CableVision Plus recently sampled areas where discretionary spending is a memory, where a healthy job market had the pins knocked out from under it with the collapse of one or two local industries.

What we found is what operators and MSO executives have been murmuring about for months. Basic subscriptions hold—unless jobseekers flee to more promising regions. But multipay is showing the effects of its unfortunately timed birth in certain regions.

"We know there is a recession, but as a company, we have decided not to participate," said John Frazee Jr., group vice president of Centel Video Services. Centel's system in Lima, Ohio is one that hasn't lost subs despite an unemployment rate among the nation's highest. (See chart.)

The economy may be bad for most of America's consumer market, but some cable operators feel the recession may even be helping attract cable subscribers. "Perhaps we would grow even faster if the economy was better and people had more money to spend. But it certainly hasn't hurt us," said Patrick Deville, customer services manager at Buckeye Cablevision, which manages several systems in depressed heavy manufacturing cities in Ohio, such as Toledo and Sandusky.

Operators in such markets have shifted to promotion featuring cable as a good entertainment buy compared to the escalating costs of alternatives—the traditional marketers' refuge.

If you can't afford a new car or a vacation for the entire family, a $20-a-month expenditure for entertainment at home through cable television makes a lot of sense.

One system manager said cable subscribers in depressed areas keep growing because the dollar has been so devalued. "When you think about how little 20 bucks can buy you today, 20 bucks for a month of cable doesn't seem so bad," shrugged one general manager.

In Roseville, Mich., a suburb of Detroit, Continental Cablevision is keeping its basic and pay sub totals up, but only with an aggressive marketing program. "We are really scraping to maintain subscriber levels," said Scott Westerman, Continental's systems manager in Roseville.

'We know there is a recession, but as a company, we have decided not to participate.'

John Frazee Jr.,
group vp,
Centel Video Services

"We are milking this recession as much as we can. When we get a potential subscriber who says 'Gee, things are tough—I don't think I can afford it right now,' we tell him that is the best reason why he should get it. We tell him it isn't unusual to drop $60 in one night on the town in Detroit. You can get three months of cable for the same amount of money," Westerman said.

Although subscriber levels are holding steady, Westerman worries about the growing number of requests for downgrades. Continental has 9,000 subs in Roseville, more than 90 percent of whom subscribe to HBO. More than two-thirds also take Cinemax. But less than half that number have subscribed to Showtime, the recently added third pay service, Westerman said.

Westerman said the overall economy could be a factor. But he added that disconnect rates are higher and new subscriber rates lower than usual in the spring, when the weather begins to improve and people look outdoors for leisure activities.

Continental marketing vice president Tom Willett is far less nonchalant. "We have made a terrible decision on multi-pay. We may wind up with fewer pay units the more channels we add than we would in a more conservative market."

His evidence, he says, is that duals can hold despite the economy. Triples are skidding, down 30 to 35 percent in some markets and no bottom in sight.

'If they've had cable, they'll keep it. They rely on it. They get hooked on it.'

Paul Schonewolf,
marketing director,
General Electric Cablevision

In Comcast's Flint system, there has been subscriber growth, though slight. Comcast officials have taken this as an encouraging sign. The company committed to rebuilding the system in the next few years in hopes its franchise will be renewed when it expires in 1989. Last month, it conducted an extensive market study to decide which services to add. Results suggest that Flint customers want, in order of preference, a news service first, more movies second, local origination third, then children's programming and cultural programming last.

"Just about everything and everybody here is related to the auto industry. It is a proud, blue collar area where people want blood and guts and sex and sports," explained Mike Singspiel, general manager of the Flint system.

It is in multipay subscriptions that Flint's economic reliance on the depressed auto industry is clearest. With the unemployment rate climbing close to 23 percent, Comcast's basic subs are hovering around 60,000. But pay units have fallen from 36,000 to 32,000 in the past year. "Even though they aren't working, they are still watching TV," Singspiel said hopefully.

Comcast's market study also found that subscribers are willing to include cable television in their buy list of non-essential items because "people are willing to pay for the things they can control or make a choice about," he said.

"The individual feels he has already made a sizable investment in a television set. The attraction to cable comes when the individual compares the price of cable to entertainment alternatives. Competition has drastically driven up the price of sporting events, tickets to movie theaters and just about everything else," Singspiel said.

Anderson, Ind. is another heavy industrial town hit hard by the recession. As in Flint, the unemployment rate is high—about 22 percent. Paul Schonewolf, marketing director for General Electric Cablevision, which operates a single-pay system in Anderson, said subscriber totals were nevertheless inching higher. "We've gained a little in both pay and basic subscribers since the first of the year," he said. Basic subs now total about 16,500, while pay subscribers are at about 8,750. Disconnects soared in 1981, and slowed to just over 1980 levels this year.

"We see that when things are tough financially, people tend to stay home for entertainment. One thing always seems to prevail. If they've had cable, they'll keep it. They rely on it. They get hooked on it. An emotional attachment develops," Schonewolf said.

In Lima, Ohio, where the unemployment rate hovers at 20 percent, Centel is still sanguine about the cable market. When John Frazee declined to participate in the recession, he may have had Lima, Ohio, in mind.

"People in Lima are finding that cable is the least expensive form of entertainment," said Thomas Knippen, vice president for the Lima system. "They use it to pass the time of day."

Still, the recession has had a measurable effect on Centel's Lima system. "First, our good sub who pays his bills on time has stayed with us. The recession has served to weed out the inconsistent," Knippen said. Subscribers to basic service are holding at about 21,000. Pay units amassed by four services total only 12,000. Knippen said the Lima system has 400 fewer subs than Centel projected in its five-year plan.

In contrast, subscriber levels in Buckeye Cablevision's Toledo, Ohio, system are exceeding expectations, said Patrick Deville, customer services manager there.

"In March 1981, we had 65,742 basic subs. A year later, we had 70,469 basics. The Movie Channel has grown from 6,210 subs to 8,228 subs. Showtime has increased from 20,166 to 21,515 during the same period," he said.

Paper mills are to the Pacific Northwest as the auto industry is to Michigan. Mills have cut back production, laying off hundreds of workers. Eugene, Ore., where Group W Cable has a system, was featured in a recent *Newsweek* article about the impact of the economy. Homes are being abandoned. But cable is holding its own, as Group W corporate executives point out with relief and surprise. Totals for subscribers to basic, HBO, Showtime, CNN, Nickelodeon and Daytime/ARTS are all inching up, despite a shrinking population.

"The economy is making it difficult, but not impossible," Burt Staniar, senior vice president, marketing and programming, said, in what is perhaps the valiant rallying cry of marketers long familiar with cable's fortitude.

Roseville, Mich.
Continental Cablevision

Population: 45,000
Unemployment rate: 21%

Subscriber growth:	**May 1980**	**May 1981**	**May 1982**
basic subs:	NA	8,750	8,950
pay units	NA	15,009 (HBO, Cinemax)	16,848 (HBO, Cinemax, Showtime)
disconnect rate:	NA	1.8%	1.6%

Toledo, Ohio
Buckeye Cablevision

Population: 168,000
Unemployment rate: 13%

Subscriber growth:	**May 1980**	**May 1981**	**May 1982**
basic subs:	61,542	65,742	70,469
pay units:	20,407	26,376 (TMC, Showtime)	29,743 (TMC, Showtime)
disconnect rate:	NA	NA	NA

Flint, Mich.
Comcast

Population: 310,000
Unemployment rate: 22%

Subscriber growth:	**May 1980**	**May 1981**	**May 1982**
basic subs:	53,000	58,000	60,000
pay units:	NA	36,000 (HBO, Cinemax, Escapade)	32,000 (same)
disconnect rate:	NA	750/month	1,500/month

Anderson, Ind.
General Electric Cablevision

Population: 68,000
Unemployment rate: 22%

Subscriber growth:	**May 1980**	**May 1981**	**May 1982**
basic subs:	12,800	15,000	16,500
pay units:	6,700 (HBO)	7,750 (HBO)	8,750 (HBO)
disconnect rate:	200/month	470/month	250/month

Lima, Ohio
Centel

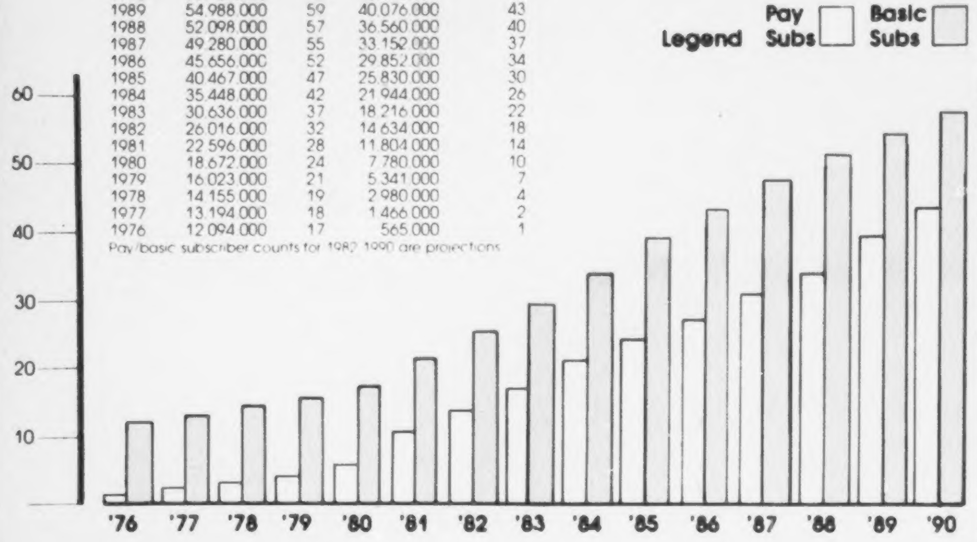
Population: 47,000
Unemployment rate: 22%

Subscriber growth:	**May 1980**	**May 1981**	**May 1982**
basic subs:	20,183	20,662	21,058
pay units	4,300 (Showtime only)	6,401 (Showtime, TMCO, HBO, Cinemax)	12,700 (same)

Information for Teleprompter system in Eugene, Ore., not available.

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

Satellite line up

Satcom IIIR (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, C-SPAN, BET	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Showtime, (used by Eastern Microwave for WOR until Cable Health Network debut, 6/82)	17
Reuters, GalaVision (at night)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark (Home Theater Network early evening)	21
HBO/Modern Satellite Network, leased for Daytime	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)	**Transponder**
ESPN (Bravo)	6
National Christian Network (Escapade)	7
RCTV/The Entertainment Channel	8
Warner Amex	11
Showtime (subleased to Compact Video)	15
Trinity	17
HBO	18
American Network	19

Satcom V—Projected launch mid-1982
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

Westar IV (Western Union)	**Transponder**
CBS Cable	3D
SIN	3X
Wold Communications	5D
Wold Communications (Financial News Network, SelecTV)	5X
Wold Communications—pay service TBA	9X
Wold Communications (Eternal Word Television Network, EROS)	10D
SPN	11X
GalaVision	12X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat, and Equatorial will have transponders on Westar IV.

Westar V—Projected launch July 1982. Transponder holders: CBS Cable, Westinghouse (Satellite News Channels I and II, The Disney Channel, Nashville Network and Eastern Microwave

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2) Viacom (2)
Galaxy II—Projected launch September 1983. 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1)
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built

Franchising calendar

This chart examines the franchise status of communities during the first part of 1982. "Pending" refers to communities which are in the franchising process but have yet to make an award.

California
Alameda—award to United Cable Television Corp. 4/82; 27,802 homes.
Bellflower—pending.
Boyle Heights—award to Buena Vista Telecommunications 1/82; 23,000 homes.
Dinuba, Keedly, Sanger, Selma, Kingsburg—award to Teleprompter 1/82.
East San Fernando Valley—Valley Cable TV (Cable America) ranked 1st by CTIC.
East Yolo—pending.
El Monte—pending.
Garden Grove—award to Rogers Cablesystems 2/82; 40,000 homes.
Gardena—award to Teleprompter 2/82, 17,000 homes.
Grand Terrace—pending.
Hacienda Heights—pending; award expected 5/82; 36,000 homes.
Hawaiian Gardens—award to CATV West 1/82.
Hawthorne-pending.
Harbor City, Wilmington, San Pedro—Colony Harbor Cablevision recommended for negotiations 4/82; 30,000 homes.
Lomita—pending; award expected 8/82; 8,136 homes.
Los Alamitos—pending
Sacramento—four applications were received 3/15/82; final selection expected 9/82.
San Fernando—pending.
San Mateo County (Ladera Heights, Baldwin Hills, Lennox)—award to Jack Barry Cable TV 9/81; 12,000 homes.
Santa Ana—award to Teleprompter 12/81; 65,600 homes.
Santa Fe Springs—award to Cablesystems Pacific 10/81.
Seal Beach—award to Teleprompter 10/81; 13,900 homes.
South Central Los Angeles—city decides between two bidding companies 4/31/82.
South Los Angeles—pending.
South Whittier—pending; award expected 8/82; 1,700 homes.
Torrance—award to Teleprompter 2/82; 52,000 homes.
Tulare—award to Scripps-Howard (80%) and Mickelson Media (20%).

Colorado
Arapahoe County—award to United Cable 3/31/82.
Cherry Hills—award to United Cable 2/82; 1,600 homes.
Denver—city council debate over Mile Hi franchise award in process.
Edgewater—pending.
Greenwood Village—public referendum 5/82; 2,000 homes.
Longmont—second vote on award 5/4/82.
Northglenn—pending.
Thornton—award to American Television and Communications 1/82; 15,000 homes.
Wheatridge—pending; decision referendum 6/22/82; 12,718 homes.

Florida
Pinellas County—pending; decision expected 5/82; 100,000 homes.
Plantation—award to Planned Cable Systems 1/82.
Tampa—RFP issued 4/13/82; proposals from six companies due 6/28/82.
Walden Lake—pending.

Illinois
Bensenville—pending.
Brookfield—pending.
Chicago—ordinance adopted; RFP serves four areas; final decision 5/82.
DuPage County—cable ordinance adopted 1/82; 44,000 homes allowed for.
Flossmoor—award to Centel Cable 2/82; 2,800 homes.
Glen Ellen—award to Teleprompter 3/82.
Inverness—award to Centel 2/82; 1,100 homes.
LaGrange, Countryside, LaGrange Park, Indian Head Park, Riverside—pending.
Lincolnwood—pending.
Naperville—need has been assessed.
Westmont—beginning process.

Indiana
Boone County (unincorporated areas)—pending.
Cedar Lake—award to US Cable 3/82.
Munster—award expected 4/82; 6,948 homes.
Spring Lake—award to Quality CATV 3/8/82.
Thorntown—FCC approved this 1980 franchise award to Thorntown Telco 2/82; it was then voided by community.
Westfield—award to Noblesville Cablevision 1/82.
Zionsville—award to Omega of Zionsville 4/5/82; 4,000 homes.

Iowa
Denver—award to Heritage Communications 1/82.
Waverly—award to Heritage Communications 1/82.

Kentucky
Hardin—award to US Cable 3/82.
Pioneer Village—award to Bullitt County Communications (Matrix) 1/82; 280 homes.

Maryland
Baltimore—preparation of RFP underway.
Montgomery County—eight bids received 2/3/82; award expected 8/82.

Massachusetts
Abington—pending.
Acton—pending.
Ayer—pending.
Bedford—pending
Bellingham, Mendon—award to Southern Massachusetts Cablevision (Alda Group) 1/82; 5,500 homes.
Bourne—pending.
Braintree—pending.
Bridgewater—four applications received 4/5/82.
Danvers—pending.
Dedham—pending; decision expected 5/82.
Foxboro—award to Cablevision Systems 1/82.
Holbrook—pending.
Hollision—pending.
Hull—applications for license due 4/5/82.
Medway—applications due 4/13/82.
Merrimac—pending.
Milton—award to American Cablesystems 1/82; 8,500 homes.
Needham—pending.
Norton—award to Rollins Cablevision 1/82; 3,600 homes
Norwell—pending.
Rockland—pending.
Salisbury—award to New England Cablevision 1/82.
Scituate—applications received from 7 companies; decision expected 5/82.
Shrewsbury—pending.
Waltham—pending.
Wellesley—applications due 5/20/82.
West Newbury—applications due 6/1/82.
Westborough—applications due 6/15/82.
Westford—award to Nashoba Cable Communications Inc. 1/82.
Westwood—award to Adams Russell 1/82.
Whitman—five applications received; 3,500 homes.

Michigan
Detroit—preparation of RFP underway.
Farmington, Farmington Hills—award to MetroVision 1/82; 36,000 homes.
Marquette—Cox Cable franchise expires 6/82; city seeking new proposals for refranchising; 6,000 homes.
Oakland County—award to Tribune Company/United Cable 3/25/82; 104,000 homes.
Southern Oakland County (Birmingham, Beverly Hills, Bingham Farms, Franklin)—award to Booth Communications and Heritage Communications 1/82; 15,000 homes.
Sterling Heights—award to Comcast Cablevision 2/82; 35,000 homes.

Minnesota
Anoka, Champlin, Ramsey, Andover—award to Teleprompter 1/82; 14,000 homes.
Arden Hills (Northern Suburban Cable Consortium)—awarded to Teleprompter 4/82.
Burnsville—need has been assessed.
Chaska—award to United-Zylstra 2/82.
Hastings—pending.
Kasson—pending.
Little Canada—pending.
Minneapolis—council approved Storer/Rogers interconnection 4/22/82.
Northfield City and Township, Dundas, Bridgewater Township, Rice County, Waterford Township, Dakota County—proposals due 5/5/82.
Olivia—pending.
Owatonna—proposals due 4/15/82.
Roseville—award to Teleprompter Corp. 4/2/82; 42,000 homes.
St. Paul—vote on municipal ownership defeated; new RFP expected; 110,000 homes.
Shakopee—award expected 5/82.
Wayzata—proposals due 4/5/82.

Missouri
Claycomb—pending.
Glenaire—pending.
Herculaneum—pending; 750 homes.
Jefferson City—award to TCI 4/20/82; 13,000 homes.
Jefferson County (unincorporated areas)—award to US Cable of Waukegan 2/82.
Maplewood—award to Continental Cablevision 1/82.
Pleasant Valley—pending.
Riverside—pending.
St. Louis—Cable ordinance approved; preparation of RFP underway.

New Hampshire
Hampstead—pending.
Plaistow—applications due 4/26/82.

New Jersey
Jersey City—1980 award vetoed; proposals now being accepted.
Patterson—awarded in 1981 to Passaic County Cablevision; municipal ownership now being considered.
Upper Deerfield—pending.

New York
Aurora, Aurelius, Cayaga County, Ledyard, Springport, Union Springs—pending.
Freedon—award to Tri-County US Cable TV of Salamanca 2/82.
Harrision—pending.
New York City boroughs—award expected soon.
Odgen, Spencerport—award to Teleprompter 3/82; 4,500 homes.
Springport—pending.
Union Springs—pending.
Westfield—pending.

North Carolina
Davie County—pending.
Mecklenburg County—award to Vision Cable 1/82.

Ohio
Brooklyn—municipal ownership decision pending.
Cleveland—pending.
Jackson Township—award to Warner Amex Cable 1/82; 10,000 homes.
Maple Heights—award to Viacom Cablevision 1/82.
Middleburg Heights—pending.
Newtown—applications due 4/27/82.
Toledo—franchise granted to Buckeye Cablevision for 70,000 additional homes.
Wadsworth—award to Warner Amex Cable Communication 2/82; 6,000 homes.
Whitehouse—pending.

Oregon
Dayton—award to Liberty Cable 3/82; 450 homes.
East Multnomah County—award to Viacom 4/15/82.
Gresham—award to Viacom Cablevision 2/82.
McMinnville—pending.
St. Helen's—award to Harmon Telecommunications 2/82; 3,000 homes.

Pennsylvania
Philadelphia—three franchises pending.

Rhode Island
Middletown, Portsmouth, Tiverton, Little Compton—pending.
Newport—pending.

South Carolina
Anderson County—applications pending.
Paris Island—award to Acton Corp. 3/82.

Tennessee
Bartlett—award to Herigate Communications 1/82.
Cheatham—award to Cablevision Enterprises 1/82.

Texas
Plano—Storer award overturned by public referendum 4/3/82.

Virginia
Dinwiddie County—applications due 4/30/82.
Fairfax County—pending.
Gooch County—pending.
Staunton—pending.
York County—pending.

Washington
Granger, Toppenish, Wapato, Zillah—applications due 6/30/82.
Seattle—pending.

Wisconsin
Brookfield—award to RVS Cable Corp. of Wauwatosa 3/82.
Kenosha—pending.
Milwaukee—award expected 6/82.
Mukwonago—award to RVS Cablevision 1/82.

1 C8920-2 5/12/82

18 SPORTSCHANNEL

- SportsChannel ready to clear the bases
- Championship decision heads to boardroom
- Footballs fill the air in industry moves
- New game of numbers fuels some old fires

CableVision™

The news and features weekly of the cable television industry

May 24, 1982

FINANCIAL NEWS
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Washington
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UNITED STATES FOOTBALL LEAGUE
New York
Chicago

Coming up footballs

While league owners (cable entreprenuer Bill Daniels among them) were announcing the creation of the fledgling United States Football League last week, the NFL Players Association was preparing a strike plan with an eye on cable. **Leading the week, pages 13-16.**

Technical decision

The middleweight championship bout between Marvin Hagler and Thomas Hearns is stalled by accidental injury, suits, countersuits and an intense rivalry that goes beyond the ring and into the boardroom. **Leading the week, pages 13-16.**

Dramatic influence

WASEC senior vice president of programming Robert Pittman addressed an overflow crowd at the National Academy of TV Arts and Sciences luncheon, focusing on the impact of cable on the audience's lives. **Leading the week, pages 13-16.**

State of cable

HBO president Jim Heyworth discussed the state of cable and pay television strategies in HBO's programming mix before a Women in Communications luncheon audience last week. **Leading the week, pages 13-16.**

SPORTSCHANNEL
Yankees

Yankees clipped on?

Despite acknowledgements that SportsChannel finally won cable television rights to Yankee games, a pin-striped steel curtain has dropped on news of the attention-getting deal. **Page 18.**

Jolly Roger flying

The National Association of Theater Owners charge that Universal is hatching a pay-per-view showing of its *Pirates of Penzance* blockbuster this Christmas. Universal and two STV operations say otherwise. **Page 19.**

Revolutionary additions

Although poor programming and the audience numbers bugaboo make many retailers cable-shy, some, like furniture dealer Ethan Allen, are bypassing network shows and the numbers game to produce original cablecast programs. **Page 22.**

Crunching numbers

Advertisers spent an estimated $31.29 million on the major cable networks in the first quarter of 1982, more than half of which went to WTBS. Those findings highlight the Broadcaster Advertisers Reports' first quarterly report from its new cable network monitoring service. **Page 28.**

Big time borrowing

The cable industry is borrowing more and more money—much of it in short-term floating rate bank notes—to finance construction of new franchises and rebuilds, according to Warburg Paribas Becker's eighth annual cable financial report. **Page 55.**

Footing the bill

Four major consumer groups claim that AT&T has used money derived from customer bill payments to fund its $2 million lobbying campaign against H.R. 5158. AT&T maintains that it is shareholders' money, not ratepayers' fees, that is going into its fight against the bill. **Page 64.**

This week in *CableVision Plus*

Business and financial programming proliferates as the nation focuses on the state of the economy. It hasn't been smooth sailing for the major contenders, however, as they vie for attention and advertising support. Lean and mean—that was the ESPN profile in its coverage of the NFL Draft. Working long hours on a slim budget, ESPN staffers did their homework—and it paid off in the end. An overview of ethnic programming rounding out this week's theme, delves into the hows and whys of cultural narrowcasting. Pages 29-52.

Advertising

Crunching numbers

BAR report provides new insight about cable advertising totals

NEW YORK—Advertisers spent an estimated $31.29 million on the major cable networks in the first quarter of 1982, more than half of which went to WTBS. Those figures are based on data compiled by Broadcaster Advertisers Reports.

The findings, released last week, highlight BAR's first quarterly report of its new cable network monitoring service. The data, however, has come under criticism from both cable and ad agency executives.

Industry insiders, while pleased to see more data being reported on cable, have reservations about the report's thoroughness. According to agency executives, the estimates of advertising expenditures "lack credence" because they fail to reflect special financial arrangements. While most cable executives refused public comment, Entertainment and Sports Programming Network advertising vice president Michael Presbrey told *CableVision*, "If, indeed, the total number is $31 million, then the numbers (for ESPN) are off."

Despite the criticism, most industry officials are reacting positively to this new outlet for cable data. "It's a good step," said Cabletelevision Advertising Bureau's Bruce Hoban. "It adds to the credibility of cable advertising and is an assurance to the advertiser that cable networks are responsibly carrying their commercials."

Hoban, along with other cable and advertising executives, would like to see BAR eventually expand its base of networks.

Expenditures currently being reported for Cable News Network, ESPN, USA Network and WTBS show that nearly 50 percent of the advertising dollars were spent on spots airing between 6 p.m. and midnight, with about 17 percent going for direct-response advertising.

Estimated advertiser expenditures by cable network

Network	Expenditures	Percent
WTBS	$16,251,000	51.9
ESPN	5,539,000	17.7
CNN	5,316,000	17.0
USA	4,187,000	13.4
Total	31,293,000	100

Source: BAR Cable TV Network Service, First Quarter, 1982.

Advertisers favored WTBS, spending more on that network ($16.2 million or 51.9 percent of the total) than they did on the other three combined. ESPN followed, receiving $5.53 million (17.7 percent), while CNN recorded $5.31 million (17 percent) and USA took in $4.18 million (13.4 percent). USA's share might have been higher, according to BAR, had it not devoted a "significant number of daytime hours" to C-SPAN coverage, discontinued April 1.

The total dollar expenditures equaled about 2.1 percent of total revenues estimated by BAR for the three broadcast networks during this same period. BAR emphasized that the data disproves current speculation that the cable networks would be primarily supported by direct-response advertising. Direct reponse was in the minority in both inventory and dollars. The report found that 68 percent of units and 83 percent of the dollars were spent on conventional product advertising while 32 percent of the inventory and 17 percent of the dollars went for direct response. BAR also noted that nearly all of the $54 million allotted for direct-response advertising was on CNN, ESPN and WTBS.

There appears to be little connection between the number of units bought and the amount paid. Nighttime represented 32 percent of the inventory sold and 49.3 percent of the dollars, while late night, which ranked second in the number of units sold (22.3 percent), accounted for only 12.5 percent of advertising expenditures. Weekday daytime, while selling the smallest amount of advertising at 3.4 percent, was second highest in expenditures with 22.5 percent.

According to the report, 364 companies advertised on the four networks during the quarter. General Foods was the largest corporate advertiser, spending $2.3 million, followed by Anheuser-Busch at $1.6 million, Time Inc. and Proctor & Gamble at $1.4 million, and American Home Products at $1.2 million. The top 10 advertisers accounted for more than 34 percent of all advertising on the four cable networks.

BAR noted that all of the top 20 companies using conventional network television were also active on the cable networks. All but six of top 50 broadcast advertisers used cable during the first quarter.

Estimated expenditures of top 10 product categories

Rank	Product classification	Estimated expenditures
1	Passenger cars, trucks	$2,499,714
2	Beer	2,310,204
3	Magazines, newspapers, other media	2,084,988
4	Cereals	2,046,341
5	Audio, video recordings	1,565,250
6	Candy, gum	1,257,929
7	Coffee, tea, cocoa	1,102,643
8	Headache remedies, sedatives, sleep products	966,622
9	Cable networks*	702,752
10	Cold, cough, sinus remedies	610,584

*HBO, Movie Channel, etc.

Source: BAR Cable TV Network Service, First Quarter, 1982.

Of the 932 products being advertised, from Ace Hardware to Zipps sneakers, the top spender on cable, according to BAR, was Kellogg's cereals, which spent slightly more than $1 million, followed by A-B at $549,000, Toyota autos and trucks at $545,000, Maxwell House coffees at $543,000 and *Time* magazine at $505,000.

The top 10 brands represented eight different product categories. The most heavily advertised product class was automotive, which recorded spending of $2.5 million. Beer was second at $2.3 million, followed by magazines at $2.1 million, cereals at $2 million, audio and video recording equipment at $1.6 million, and candy and gum at $1.3 million.

—Karen Bloom and David Stoller

Notes

GalaVision launches campaign

GalaVision is introducing a new national ad campaign to promote the network's expanded hours and dubbed American shows in its program line-up. The 60-second spot, which uses a synthesized Latin-beat jingle, features Tostitos commercial spokesman Fernando Escandon.

Contracts hit $2.5 million

More than $2.5 million in advertising commitments were recorded by ESPN in March. Recent newcomers to ESPN sponsorship include Control Data, Northwestern Bank, British Airways and Nabisco.

Ethnic programming at a glance

Genre	Content	Sub count	Genre	Content	Sub count
Black Entertainment Television **Washington, D.C.** **via USA Network until 8/82**	Black college sports, gospel music, black public affairs, black classic movies, *Showtime at the Apollo* and other talk and variety programs.	9.2 million 852 systems	**National Jewish Television** **Riverdale, NY**	Jewish news and public affairs discussion shows, folklore, movies and entertainment features. (Programs in English, Hebrew and Yiddish.)	86 systems, 1,837,500 homes
The English Channel **Los Angeles, CA** **(carried via USA Network)**	Anthology series, concerts, English history and art, films and programming from Britain, Australia and Canada. (All programs in English.)	11 million 1,700 systems	**Ireland's Eye*** **Irish Export Board, New York** **Radio Telefis Eireanne, Dublin** ***Suspending production end of May 1982**	News of Ireland and Europe, sports (hurling, steeplechasing, soccer, handball, golf, auto and hound racing), music, talk and variety shows plus *The Armchair Theater*, akin to American soap operas.	4.4 million 471 systems
Telefrance USA **SPN Inc., Tulsa, OK** **(Part of Telefrance USA Ltd. New York & Paris)**	Drama, variety specials, classic films, language courses, cooking shows, reviews of Franco-American news and features, among other shows. (Programs in French with English subtitles.)	4.4 million 471 systems	**Studio I** **Volani Broadcasting Inc. NY** **(Subsidiary of Volani International Ltd. founded summer, '81; cancelled Feb. '82**	General interest Italian films, news of Italy, talk and variety shows featuring Italian and Italian-American subjects. (All programs dubbed in English.)	SPN's 4.4 million 471 systems 46 states
TeleFrance in the Morning **MSN, New York, NY** **(Part of TeleFrance USA Ltd. New York & Paris)**	Cordon Bleu cooking, *French Carosel*, romantic/historical series, French films and cultural programs. (Programs in French with English subtitles.)	4.1 million 541 systems	**Mediterranean Echoes** **SPN Inc., Tulsa, OK**	Music, art, drama, ancient archeological discoveries and other features from Greece, Cyprus, Saudi Arabia and Egypt. (All programming narrated in English except Arabic program subtitled in English.)	4.4 million 471 systems
Windows of the Orient **SPN Inc., Tulsa, OK**	Movies, documentaries, sports, news, variety, entertainment from Japan, Korea and other Oriental countries. (All programs in English or with English subtitles.)	6 million 480 systems	**Visions of Asia/USA** **SPN Inc., Tulsa, OK**	Music, variety, news of India. (All programs in English.)	4.4 million 471 systems
The Jewish Television Network **JTN, Los Angeles, CA**	Drama, entertainment, Jewish law and commentary, children's programs, Yiddish programs, Jewish news and public affairs.	approximately 120,000 homes via Theta Cable	**GalaVision** **New York, N.Y. (subsidiary of SIN)**	First-run movies, novelas, sports events, boxing, soccer, jai alai, baseball, bullfighting, specials, mini-series. (All programming in Spanish.)	200,000 250 systems
Hello Jerusalem **SPN Inc., Tulsa, OK**	Written and produced in Israel, focuses on Israeli culture, history, sports and society. Also features current news items, local industries, education and government.		**National Spanish Television Network (SIN)** **New York, N.Y.**	World Cup soccer, talk shows, SIN Television News, movies, novelas, boxing, variety specials. (All programming in Spanish.)	177 systems (15 million homes estimated)

Top 50 financial overview

The companies listed here are 50 of the top firms involved in the cable television industry ranked by total revenues. All dollar figures are in millions.

Company	Total revenues			Total assets			Operating income			Net income			Cable revenues			Identifiable assets			Stock prices	
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch	'81	'80	%ch	'81	'80	%ch	'81 hl/lo	'80 hl/lo
General Electric *	27,240	24,959	+9.1	20,942	18,511	+13.1	N/A			1,652	1,511	+9.0	N/A			N/A			69⅞/51⅛	63/44
Getty Oil	13,251	10,436	+26.9	9,536.4	8,266.7	+15.3	N/A			856.9	871.9	-1.7	N/A			N/A			93½/55¼	108¼/65½
GTE[1]	11,026	9,979	+10.5	21,113.3	19,525	+8.1	110	131	-16	690	447	+54.4	2,238	2,110	+6.1	1,769	1,673	+5.7	34¼/24⅝	29¼/23
Westinghouse[2]	9,367	8,514	+10	8,316.2	6,815.4	+22	78.1	64.4	+21.3	438	402	+8.7	431	266	+62	1,376.2	204.5	+57.3	34½/23	32½/19
RCA[3]	8,004.8	8,001.3	0	7,856.7	7,147.6	+9.9	83.1	90.9	-8.6	54	315	-82.9	269.8	253.5	+6.4	693.4	579.9	+19.5	32¼/16⅜	33/18½
American Express[4]	7,211	6,366	+13.3	25,103	22,608	+11	-10	0		518	462	+12.1	109.5	58	+88.8	N/A			54⅜/37½	40⅜/25¼
Gulf+Western	5,702.5	5,338.5	+6.8	5,893.2	5,416.8	+8.7	N/A			290.9	255.3	+13.9	N/A			N/A			22⅛/14	18⅝/10⅞
CBS Inc.[5]	4,125.2	4,062.1	+1.5	2,425.6	2,301.2	+5.4	299.6	248.8	+20.6	163.8	193	-15.1	1,919.9	1,701.4	+12.8	N/A	641.8		61¼/46	55¾/50¼
Penn Central[6]	3,348.8	2,013.7	+66	3,394.9	2,726	+24.5	18.7			168.7	93.6	+80	286.6			374.9			32⅝/31⅛	21⅝/9⅝
Time Inc.[7]	3,296.4	2,800	+17.7	2,754.8	2,322.6	+18.6	123	93	+32.2	148.8	141.2	+5.4	618	410	+50.7	863	597	+44.5	41⅜/26⅝	31⅝/19
Warner Communications[8]	3,237.2	2,059	+57.2	2,673.6	1,768.8	+51.2	-10.0	0		226.5	137.1	+65.2	109.5	58	+88.8	N/A			58⅝/35⅝	40¾/17¼
North American Philips[9]	3,030.4	2,171.4	+39.5	1,854.1	1,517.9	+22.1	43.3	34.3	+26.3	104	74.5	+39.6	690.8	529.9	+30.3	346.8	307.4	+12.8	59⅝/35¾	39⅞/23½
ABC	2,443.7	2,280.4	+7.2	1,588.3	1,418.3	+12.0	N/A			146.3	146.3	+0	N/A			N/A			38¼/27	39¼/25⅝
Times Mirror[10]	2,130.8	1,868.9	+14.0	1,917.2	1,734.8	+10.5	64.2	47.2	+35.8	N/A	139.2		190.6	139.9	+36.2	421.9	338.7	+24.6	58½/39¾	45⅝/28¾
Pioneer[11]	1,433.8	1,320.0	+8.6	1,158.6	918.1	+26				63.8	86.2	-25.9	94.3	74.0	+27				31⅜/16¼	19⅜/10½
Tribune Company[12]	1,406.3	1,233.3	+14.0	1,363.9	1,071.3	+27.3	27.1	25.5	+6.2	9.1	78.0	+14.2	154.1	126.0	+22.3	267.2	144.8	+84.5	Private firm	
MCA Inc.	1,329.0	1,297.1	+2.5	1,367.7	1,390.6	-1.6				89.8	137.6	-34.8	N/A						59/38⅝	57¾/44⅛
Zenith Radio	1,275.2	1,185.9	+7.5	743.2	655.4	+13.4	N/A			15.6	26.4	-40.9	109.0	81.0	+34.5				21½/10¼	21¼/7⅞
Knight-Ridder	1,237.1	1,098.5	+12.6	984.7	862.4	+14.2	N/A			100.4	92.9	+8.1	N/A			N/A			41¾/26⅜	32⅛/19⅛
Sammons Enterprises[13]	N/A	1,200		N/A	945		7.1	3.4	+108	N/A	48.0		59.5	50.2	+18.5	106.2	97.4	+9	Private firm	
Centel[14]	1,020.4	895.3	+13.9	2,036.3	1,899	+7.2	17.3	15.1	+15.2	104.5	91.9	+13.7	155.8	129.4	+20.4	137.4	71.4	+92.7	35¾/23⅛	27⅞/21¼
Walt Disney	1,005	914.5	+9.9	1,610.0	1,347.4	+19.5		N/A		121.5	135.2	-10.1	N/A			N/A			67⅛/41⅜	53⅞/35½
New York Times[15]	845.2	733.2	+15.3	598.9	449.5	+33.2	3.5	3.8	-8.2	50.0	40.6	+23.1	36.8	17.3	+113.2	133.8	48.4	+176.1	38½/26½	38/18
General Instrument[16]	698.6	618.6	+12.9	734.6	642.6	+14.3	82.3	36.2	+127.5	65.5	49.3	+33.0	301.3	193.2	+56	107.1	76.9	+39.3	97½/74¼	54/40⅜
Insilco Corp.[17]	684.9	641.8	+6.7	594.9	537.5	+10.7	7	5.2	+34.5	34	30.4	+11.7	120	100.3	+19.6	69.4	51	+36.0	23⅝/14⅛	23⅜/10¼
Dow Jones & Co.	641	530.7	+20.8	532.1	396.6	+34.2		N/A		71.4	58.9	+21.2	N/A			N/A			55¼/29⅝	31½/17½
Capital Cities Comm.[18]	573.8	472.1	+21.5	697.6	520	34.2	(3.1)	(2.5)	-22.3	80.5	70.8	+13.7	21.4	.03	+712.3	186	9	+1,964	80½/56½	72/40
M/A-COM Inc.	514.7	341.5	+50.7	517.7	260.1	+99	30	18.0	+66.2	40.3	26.7	+51	180.5	108.9	+65.7	95.3	70.4	+35.3	35½/20⅜	25⅜/7⅜
Oak Industries[19]	507.1	385.6	+31.5	609.3	408.7	+49.1	53.8	32.6	+65.3	30.4	20.1	+51.5	260.5	161.4	+61.5	291	130	+123.7	38½/21⅛	25⅛/13⅛

Cable stats

Company	Total revenues '81	'80	%ch.	Total assets '81	'80	%ch.	Operating income '81	'80	%ch.	Net income '81	'80	%ch	Cable revenues '81	'80	%ch	Identifiable assets '81	'80	%ch	Stock prices '81 hi/lo	'80 hi/lo
Rollins Inc.[20]	454.6	400.4	+14	313.5	281.0	+12	18.3	16.2	+13	44.4	35.3	+26	62.1	54.7	+13.5	52.6	45.9	+14	22½/13⅜	15⅜/17⅞
Anixter Brothers	441.5	363.6	+21	198.3	161.6	+23		N/A		18.5	15.3	+21	N/A			N/A			20⅞/12⅛	19½/5½
Wometco Enterprises	434.2	357.2	+21.5	448.2	337.6	+32.7	4.7	3.5	+33.3	24.4	20.8	+17.3	33	20.4	+61.9	95.9	63.2	+51.9	25¼/14¾	17⅜/9⅝
Cox Communications	403.5	309.2	+30.5	604.4	461.3	+31	30.5	21.8	+39.7	55.5	56.4	-1.6	188.5	125.9	+49.7	391.1	252.5	+54.9	39⅛/27⅛	30⅝/15
Playboy Enterprises	388.9	363.2	+7	291.9	320.5	-8.9		N/A		14.3	13.1	+9.7	N/A			N/A			17⅜/10½	19½/11
Harte-Hanks[21]	348.5	303.7	+14.8	397.8	341.2	+16.5	16.5	16.5	0	25.4	22.7	+11.7	68	62.2	+9.3	128.2	116.4	+10.1	40¾/29	35/19⅝
Taft Broadcasting[22]	307.7	194.3	+58.3	626.4	544.9	+14.9		N/A		36.5	29.3	+38.5	N/A			N/A			34/24¼	35¼/20
Scientific-Atlanta	277.3	192	+44.4	197.2	138.9	+42		N/A		19	12.7	+49.4	N/A			N/A			34¾/18⅛	22⅞/8
Storer Broadcasting	276.4	197.1	+40.3	844.6	505.8	+67	5	5.2	-3.5	31.9	24.8	+28.5	132.7	68.3	+94.2	629.1	335.6	+87.5	43/23¾	43/36
Affiliated Publications	236	206.5	+14.3	125.6	105	+19.7		N/A		14.2	12.9	+10.5	N/A			N/A			33¾/26⅝	32½/14½
Viacom International	210.4	160.1	+31.5	443.6	367.9	+20.6	15.7	14.8	+6.2	18.9	15.8	+20.1	85.2	66.3	+28.5	150.1	99.9	+50.2	32½/22	29½/15⅝
Multimedia Inc.	195.3	163.6	+19	256.1	211.1	+21	3.3	1	+233.2	25.8	21.6	+19.5	19.4	8.9	+117	76.9	38.6	+99.5	37¼/27	32/15
Tele-Communications Inc.	181.4	124.4	+45.8	608.3	348.6	+75	30	19.7	+52.2	12.8	8.3	+55.6	167.7	111.9	+49.9	574.2	275.7	+108.3	31¾/16⅝	29¾/7⅜
Augat Inc.	173.9	161.6	+7.6	166.5	149.4	+11.4		N/A		20.1	18.3	+10.1	N/A			N/A			34/23¾	31⅜/14⅛
Burnup & Simms[23]	167.4	152	+10.2	139.9	104.9	+33.4	8.2	5.5	+48.4	6	5.9	+1.3	89.9	50.1	+79.6	31.8	23.9	+32.7	17⅞/8½	11½/5⅜
Continental Copper & Steel[24]	165.5	180.7	-8.4	96.4	101.4	-4.9	2.4	5.7	-58.3	6.7	4.5	+49.5	106.8	122.3	-12.7	52.2	52.4	-45	8½/5¾	8⅞/5
Rogers Cablesystems[25]	109.6	70	+56.5	421.3	306.2	+37.6		N/A		2.6	12.4	-79	N/A			N/A			13¼/5⅝	14⅝/4⅜
Turner Broadcasting[26]	95	54.6	+74	77	54	+42.4	6.9	5.9	+218.2	(13.4)	(3.6)	-275.5	83	42.7	+94.4	47.1	34.5	+36.8	20/6½	8⅜/6⅜
Scripps-Howard[27]	87.3	77	+13.4	112.8	93.3	+20.9		N/A		19.2	16.5	+16.6	N/A			N/A			23¼/11⅝	16½/12¾
Heritage Comm.	77.2	25.1	+207.6	111.8	67.3	+66.2	6.2	2.7	+130.5	3.8	1.8	+113.7	27.5	13.8	+98.3	72.9	55.9	+30.4	16½/8	18¼/5⅞
United Cable Television	62.8	44.7	+40.6	155.4	98.3	+58		N/A		7.9	6.5	+21.2	N/A			N/A			36¾/14⅞	16¼/7⅜

[1] Cable revenues, operating income and identifiable assets represent the communication products division, which includes cable television

[2] Cable revenues, operating income and identifiable assets represent the broadcasting and cable divisions

[3] Cable revenues, operating income and identifiable assets represent the communications division, which includes cable television

[4] Cable revenues and operating income were estimated

[5] Cable revenues, operating income and identifiable assets represent the broadcasting division, which includes cable television

[6] Cable revenues, operating income and identifiable assets represent the wire and cable manufacturer, G.K. Technologies Inc., which was acquired in 1981

[7] Cable revenues, operating income and identifiable assets represent WOTV, Time-Life Films and cable television

[8] Cable revenues, operating income and identifiable assets were estimated

[9] Cable revenues, operating income and identifiable assets represent the professional equipment division, which includes equipment for cable television

[10] Cable revenues, operating income and identifiable assets include the broadcast division and the cable division

[11] Cable revenues include revenues from laser disc players and discs, dictating machines, telephone answering devices, loud speakers and playback equipment

[12] Cable revenues, operating income and identifiable assets represent the broadcasting, entertainment and cable divisions

[13] Cable revenues, operating income and identifiable assets represent Sammons Communication, a subsidiary which deals only in cable television

[14] Cable revenues, operating income and identifiable assets represent the communications and video operations, which includes cable television

[15] Cable revenues, operating income and identifiable assets represent the broadcasting division, which includes cable television

[16] Total revenues, net income and total assets are third quarter figures (11/30/81). Cable revenues, operating income and identifiable assets represent the broadband communications division

[17] Cable revenues, operating income and identifiable assets represent Times Fiber, a subsidiary with 80 percent CATV related sales

[18] Cable revenues, operating income and identifiable assets include the July 1981 acquisition of CableCom General.

[19] Cable revenues, operating income and identifiable assets represent Oak's two cable systems, STV and cable equipment

[20] Cable revenues, operating income and identifiable assets represent the media group, which includes television, radio and cable operations

[21] Cable revenues, operating income and identifiable assets represent the broadcasting group, which consists of television, radio and cable television

[22] Total revenues, net income and total assets are nine month figures (12/31/81).

[23] Total revenues, and net income figures are third quarter 1982 (1/31/82). Cable revenues, operating income and identifiable assets represent CATV, REA and electrical equipment divisions

[24] Cable revenues, operating income and identifiable assets represent total wire and cable production

[25] Cable revenues, operating income and identifiable assets are identical to total figures. Rogers is solely a cable company

[26] Cable revenues, operating income and identifiable assets represent the broadcasting and cable television divisions

[27] Scripps-Howard is owned by E.W. Scripps (70 percent).

Technology vs First Amendment Rights

- First Amendment rights put under microscope
- States add weight to legislative lobbying causes
- Group W Cable unveils new plan of attack
- TCI programming package gets skeptical greetings

CableVision™

The news and features weekly of the cable television industry

May 31, 1982

5/27/82

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Ralph Baruch, left
Carolyn Chambers, below

Kay Koplovitz, above
John Sie, right

Cable '82: Camera-eye view

Satellite news team: Behind the scenes

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NATIONAL ACADEMY OF TELEVISION ARTS AND SCIE

Positive impression

Speaking before the National Academy of TV Arts and Sciences, Turner Broadcasting chairman Ted Turner gave a rosy outlook on CNN and refused to concede that Reese Schonfeld's resignation as CNN's president was in any way a negative sign. **Leading the week, pages 13-23.**

Closer to cable

Residents in Chicago, Los Angeles, Philadelphia, Denver and Pinellas County, Fla., are a little bit closer to getting cable service.

Leading the week, pages 13-23.

ABCs of business

Veiled references to new services and interests in emerging telecommunications technologies and a relatively quick rundown of the past year's performance and investments left no one surprised at a quiet ABC annual stockholders' meeting. **Leading the week, pages 13-23.**

Amending applications

The First Amendment Congress, composed of broadcast, newspaper and professional journalism organizations, met last week and delved into new media—cable, videotex/teletext and DBS—to look at First Amendment rights as applied to these areas. **Leading the week, pages 13-23.**

'Othello' awaits

CBS Inc. came up a winner when it gambled on *Othello*. However, the play closed this week without a decision from CBS when or where its options will be exercised next. **Leading the week, pages 13-23.**

Legendary revival

The historic Apollo Theater will be the launching pad for a new advertiser-supported cable entertainment service. A lot of the details are up in the air, but $5.6 million in renovation work will begin this summer. **Page 25.**

Showtime spree

Showtime's opinion of made-for-pay movies has been modified recently. Mike Weinblatt now has plans to capitalize on the double potential behind that entertainment process. **Page 26.**

'Star Wars' invasion

20th Century-Fox, Showtime and The Movie Channel have announced plans to air the block-busting film on cable. However, that has proved to be just the tip of the financial iceberg. **Page 32.**

Bureaucratic gamble

The House Energy and Commerce Committee is slated to consider H.R. 5008. That bill would establish a licensing lottery system. Concern is beginning to surface on what all that means. **Page 187.**

About the cover

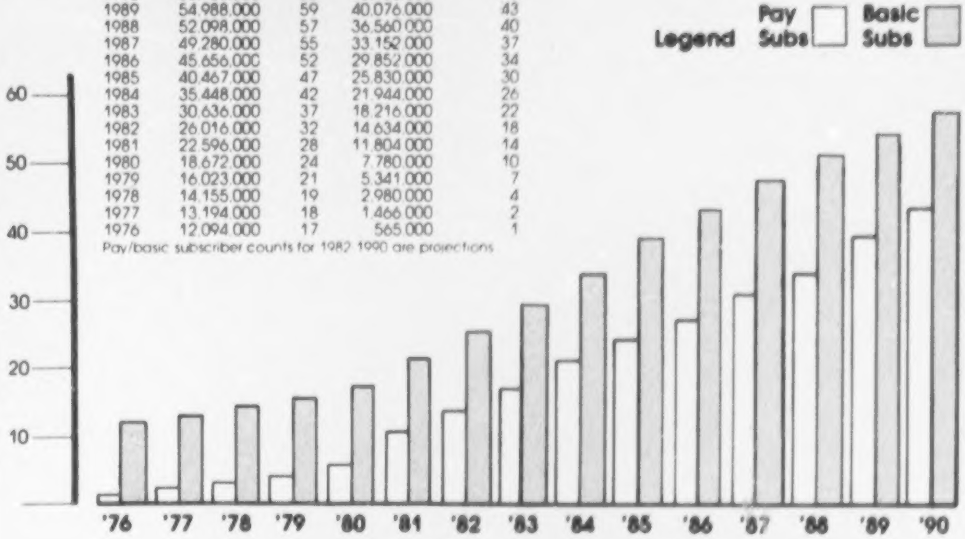
CableVision's photo editor Rob Stuehrk captured the highlights of the NCTA awards banquet when Ralph Baruch won the Larry Boggs Award, Kay Koplovitz won the Jerry Greene Memorial Award, Carolyn Chambers won the Idell Kaitz Award and John Sie won the Robert Beisswenger Memorial Award.

This week in *CableVision Plus*

The countdown is on in Connecticut as the Satellite News Channels team gears up for its June 21 launch. The child of corporate partners Group W Satellite Communications and ABC Video Enterprises, the 24-hour news service has attracted the industry's best and brightest. The impressive Stamford, Conn. facility was renovated to accommodate a vast array of equipment and human resources. The operations theme continues with a look at a state-of-the-art system in the heart of Texas—Sammons Communications of Fort Worth. The razzle-dazzle package that won Fort Worth includes two-way interactive capability and a central switching center connected to five hub sites by microwave. **Pages 95-118.**

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) . . .	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable . .	14.93%
Percent of HP with pay cable . .	28.69%
Percent of basic subs with pay cable	52.81%

Franchising in the top 50 markets

Rank	Market	Status of Core City
1.	New York	Manhattan-OP/four unwired boroughs—FP
2.	Los Angeles	City is divided into 14 areas (A-N). Eleven-FG Three-FP
3.	Chicago	BP
4.	Philadelphia	City divided into N.S.E.W. S-OP. Other three-FP
5.	San Francisco	OP (System to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas/Ft. Worth	Two systems-OP
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/St. Paul	FG (reissued)/FP
14.	St. Louis	BP
15.	Seattle/Tacoma	Seattle is divided into four parts (2OP/1FG/1BP)/Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/St. Petersburg	FP/OP
19.	Baltimore	BP
20.	Denver	FG
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into 3 parts (2-OP/1-FC)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/New England	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FG
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/Battle Creek/Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	Two systems-OP
43.	Charleston/Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Based on chart from the NCTA report on cable franchising, using Arbitron's designated market areas

Legend:
OP-operational
FG-franchise granted
FP-franchise pending
BP-beginning process
LNA-little or no action

Regional focus

States	Number of systems	Basic subs*	Homes passed*	% of homes passed	Pay* subs	% of basic subs
New England						
Connecticut	21	476,695	758,556	63.2	248,982	52.2
Maine	35	125,174	198,456	63.1	551,087	40.8
Massachusetts	57	429,500	864,727	49.7	204,547	47.6
New Hampshire	26	159,392	296,124	53.8	50,358	31.6
Rhode Island	6	6,952	9,199	75.6	5,459	79.8
Vermont	46	79,388	97,938	81.1	20,206	25.5
Middle Atlantic						
New York	204	1,780,977	3,113,716	51.2	847,618	47.6
New Jersey	62	918,826	1,924,178	47.8	589,029	64.1
Pennsylvania	311	1,754,279	2,787,093	63.1	618,931	35.3
South Atlantic						
Delaware	9	109,168	186,731	58.5	49,469	45.3
Maryland	36	143,421	212,389	67.5	51,775	36.1
West Virginia	146	304,614	502,903	60.6	84,571	27.8
Virginia	84	495,096	853,455	58.0	289,914	58.6
South Carolina	50	273,850	538,341	50.9	121,967	44.6
North Carolina	89	484,682	852,835	56.8	233,597	48.2
Georgia	126	579,696	1,106,236	52.4	304,159	52.5
Florida	159	1,402,297	2,587,004	54.2	682,882	48.7
Great Lakes						
Illinois	128	665,137	1,303,487	51.0	353,078	53.1
Indiana	97	513,386	940,182	54.6	261,709	51.0
Michigan	108	733,485	1,241,447	59.1	371,049	50.6
Ohio	182	1,237,283	2,597,517	47.6	565,840	45.7
Wisconsin	107	325,847	666,744	48.9	154,791	47.5
South						
Alabama	105	449,637	717,213	62.7	164,639	36.6
Arkansas	95	236,632	365,708	64.7	77,068	32.6
Kentucky	135	308,262	593,825	51.9	152,331	49.4
Louisiana	65	400,368	660,147	60.6	162,874	40.7
Mississippi	83	324,953	433,891	74.9	98,522	30.3
Tennessee	72	347,646	628,170	55.3	173,002	49.8
North Central						
North Dakota	37	69,945	121,916	57.4	30,494	43.6
South Dakota	18	73,409	116,911	62.8	27,315	37.2
Minnesota	129	267,223	450,447	59.3	95,060	35.6
Nebraska	57	143,655	252,989	36.8	65,248	45.4
Iowa	83	287,185	548,146	52.4	163,090	56.8
Kansas	120	338,917	529,608	64.0	162,157	47.8
Missouri	87	254,947	466,929	54.6	138,101	54.2
Oklahoma	118	457,150	786,784	58.1	248,999	54.5
Mountain						
Colorado	57	211,147	432,292	48.8	132,414	62.7
Idaho	41	119,101	209,527	56.8	44,967	37.8
Montana	36	123,242	202,009	61.0	44,409	36.0
Nevada	13	62,897	168,654	57.9	27,583	43.9
Utah	15	63,117	133,185	47.4	30,726	48.7
Wyoming	30	111,970	147,749	75.8	51,139	45.7
Pacific						
Alaska	19	25,317	44,162	57.3	19,682	77.7
California	280	2,628,099	4,836,588	54.3	1,113,812	42.4
Hawaii	12	179,692	302,689	59.4	94,499	52.6
Oregon	88	285,137	600,301	47.5	121,191	42.5
Washington	108	628,659	985,588	63.8	249,090	39.6
Southwest						
Arizona	55	126,846	191,357	66.1	48,313	38.1
New Mexico	36	166,193	289,186	57.5	75,808	45.6
Texas	319	1,400,793	2,691,400	52.0	805,472	57.5

*Figures are as of 3/82.

Le câble:
clé du futur

- Heated topics lead Canadian show agenda
- Canadian license awards create uproar
- Goldwater switches tracks on TV coverage
- Stumbling blocks remain in NYC franchising

CableVision™

and features weekly of the cable television industry

June 7, 1982

1 C8920-2 6/1/82

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WASHINGTON DC 20014

MTV
The Music Channel
412 Avenue
New York
The Music Channel
TV
MUSIC TELEVISION
PLUS

New Wave logos: Fat, funny and alive

Madison Avenue back
in director's chair

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C-SPAN gold

Sen. Barry Goldwater switched his position and now favors televising the Senate proceedings. Meanwhile, during committee hearings, C-SPAN president Brian Lamb defended his organization's ability to provide Senate coverage. **Leading the week, pages 13-19**.

Cable's sex life

The steamy topic of sex in cable programming is causing a lot of verbal heat and interesting positions by industry leaders. The first round of debate was intense, but an upcoming second debate promises even more. **Leading the week, pages 13-19**.

News figures

Satellite News Channels claims it will launch with 56 MSOs and 2.6 million subscribers. How SNC got those figures provides an inside look at routes numbers sometimes take. **Leading the week, pages 13-19**.

Telelaw

The Federal Bar Association held its fifth annual telecommunications law conference and focused on the AT&T settlement and aftershocks of FCC actions on transponder auctions. **Leading the week, pages 13-19**.

Border war

U.S. broadcasters operating along the Canadian border have demanded that Congress take action against what they describe as unfair trade practices by the Canadian government. **Leading the week, pages 13-19**.

Northern meeting

Pay television and new technologies will be on the agenda this week at the Canadian Cable Television Association annual convention. **Leading the week, pages 13-19**.

Canadian stand

A consortium of cable related groups have protested the awarding of pay licenses by the Canadian government. However, those protests have fallen on deaf ears. **Leading the week, pages 13-19**.

Radio approach

Satellite News Channels is applying an old sales technique to garner advertising support, but potential clients are expressing doubts the plans are workable. **Page 30**.

Capital dilemma

Washington officials are almost ready to seek cable franchise bids. Comments from the leading MSOs across the country indicate that they may not be interested because of pending conditions. **Page 34**.

Canadian aid

In an effort to promote the Telidon videotex system, the Canadian Department of Communications is awarding $10.5 million in grants to private industry and non-profit organizations. **Page 59**.

Bell answers

The Department of Justice and AT&T officials have refuted claims by their opponents filed in district court. Hearings on the subject have been scheduled for late June. **Page 69**.

About the cover

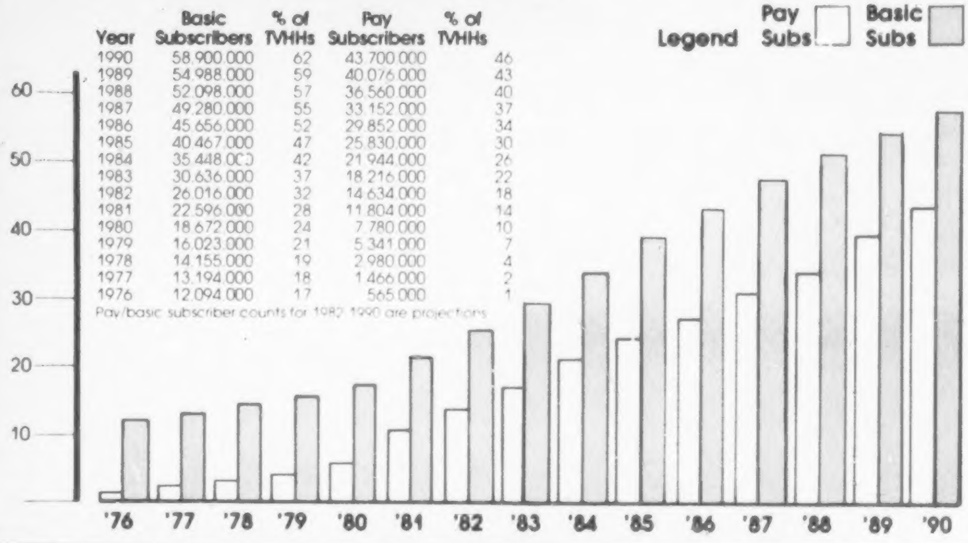
Frank Olinsky is shown at work in the Manhattan Design Studio, where the MTV logo/graphic identification was designed. The photograph was taken specifically for *CableVision* by Charles Reilly.

This Week in CableVision Plus

The MTV logo is sometimes shocking, sometimes cute, sometimes outrageous. Associate editor Jean Grillo reports on how it got that way and other tales from the frontier of network logo design. *CableVision Plus* investigates the new wave of advertiser-paid-for cable shows. Is it another Golden Age of Television or just a long commercial message?

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	80,700,000
Homes passed by cable (HP)	42,000,976
Percent of TVHH passed by cable	52.05%
Basic cable subscribers	22,821,167
Percent of TVHH with basic cable .	28.28%
Percent of HP with basic cable .	54.34%
Pay cable subscribers	12,051,461
Percent of TVHH with pay cable ..	14.93%
Percent of HP with pay cable ..	28.69%
Percent of basic subs with pay cable	52.81%

Film product comparison—June

Film	Networks					Distributor
A Challenge for Robin Hood				(HTN)	C	Warner Bros
A Change of Seasons					C	Filmways
A Face in the Crowd					C	Castle Hill
A Fistful of Dynamite			(TMC)		C	MGM/UA
Agatha				HTN		Warner Bros
Alice Sweet Alice	(HBO)	ST*				Lorimar
The Amazing Adventures of Joe 90		(ST)			C*	ITC
American Gigolo		ST*	(TMC)			Paramount
Animal Crackers				HTN	(C)	Universal
The Apple Dumpling Gang Rides Again	(HBO)		TMC*	HTN*		Disney/Buena Vista
Ashanti					C*	Warner Bros
Atlantic City	HBO	ST	TMC			Paramount
The Awakening	(HBO)	(ST)	TMC			Warner Bros
Barnaby and Me		ST*				Simcom
Beyond the Reef	HBO*					Dino DeLaurentis
Big Wednesday					C	Warner Bros
Birth of the Beatles					C	Worldvision
The Black Marble	HBO					Embassy
The Black Pearl	(HBO)			HTN*		Columbia
The Blackboard Jungle		(ST)			C*	MGM/UA
Blow Out	HBO	ST	TMC			Filmways
Blow-Up		ST				MGM/UA
Blue Fire Lady		ST				Film Gallery
The Blues Brothers	(HBO)	ST*	(TMC)			Universal
Brubaker	HBO	(ST)	(TMC)			20th Century-Fox
Captain Scarlet vs the Mysterons from Mars		ST*				ITC
Carbon Copy	HBO*					Embassy
Cardiac Arrest	HBO*		(TMC)			Film Ventures
The Case of the Mukkinese Battle Horn					C	Janus
Cat and the Canary	(HBO)		(TMC)	HTN	(C)	Universal
Caveman	HBO*		(TMC)			MGM/UA
Chapter Two	(HBO)	(ST)	(TMC)	HTN*		Columbia
Chu Chu and the Philly Flash	HBO	ST	TMC	HTN		20th Century-Fox
Continental Divide	HBO	ST	TMC	HTN		Universal
Cutter's Way		ST	(TMC)		C	MGM/UA
Darby O'Gill and the Little People	HBO		TMC			Disney/Buena Vista
Day for Night				HTN	(C)	Warner Bros
The Daybreakers	HBO*					TeleMine
Dead and Buried	HBO					Filmways
Deadman's Float		ST	TMC			Satori
Death Hunt	(HBO)	ST*	TMC*			20th Century-Fox
Dog Day Afternoon	HBO	ST*				Warner Bros
The Dogs of War	HBO*	ST				MGM/UA
Don't Go Near the Water		(ST)			C	MGM/UA
The Dot and the Kangaroo				HTN	(C)	Satori
8½		ST				Corinth
The Electric Horseman	(HBO)	ST*	(TMC)	HTN*		Columbia
Elvis	HBO		(TMC)	HTN		Worldvision
The Evil					C*	New World
Excalibur	(HBO)	(ST)	TMC*			Warner Bros
Fame			TMC*		(C)	MGM/UA
Family Man					C*	HBO
The Fan	(HBO)	ST*	TMC*			Paramount
Far from the Madding Crowd	HBO	ST*				MGM/UA
Father of the Bride		ST				MGM/UA
ffolkes	(HBO)	ST*	TMC	HTN*		Universal
The Final Countdown					C	Filmways
Final Cut			TMC			Satori
Firecracker		ST				New World
The First Nudie Musical					C	World Northal
The French Woman		ST				Film Gallery
From Hell to Victory	(HBO)		TMC	(HTN)		Worldvision
Gal Young Un			TMC			NTV
Gloria				HTN*		Columbia
Going Ape	HBO		TMC			Paramount
Graduation Day		ST			(C)	Wescom
Grand Illusion					C	Janus
The Great Muppet Caper	HBO					AFD
The Green Horizon		ST*		HTN*		Sanrio
The Haunting of Julia	HBO*					Show Biz
The Hearse	HBO	ST*				Viacom
The High Country			(TMC)		C	Crown International
High Midnight				HTN		Universal
High Risk	HBO					Viacom
Hog Wild	HBO					Mutual Films
Hollywood Boulevard		ST*			(C)	New World
Hollywood High		ST				Film Gallery
Home from the Hill		(ST)			C	MGM/UA
Hot Lead and Cold Feet	(HBO)		(TMC)	HTN*		Disney/Buena Vista
The Howling		ST*	(TMC)		(C)	Wescom
Huckelberry Finn		ST				Westchester Corp
I Love You Alice B. Toklas					C	Warner Bros
I Sent a Letter to My Love	(HBO)	ST	(TMC)	(HTN)		Atlantic
I'm All Right Jack					C*	Viacom
The Incredible Voyage of Stingray		ST				ITC
The Inheritance					C	HBO
The Jazz Singer	(HBO)				C	EMI
Journey Back to Oz		ST*				Columbia
The Kids are Alright					C*	New World
Kill or Be Killed			(TMC)		C*	Film Ventures
Le Cage Aux Folles II		(ST)	(TMC)		C*	MGM/UA
The Last Days of Man on Earth			TMC			New World

Cable stats

Film	Networks					Distributor
The Last Hunt		ST*				MGM/UA
The Last Metro	HBO		(TMC)			MGM/UA
Lauren and Hardy's Laughing 20's		ST				MGM/UA
Legend of the Lone Ranger	HBO*					AFD
Les Girls		ST				MGM/UA
Little Darlings			TMC*			Paramount
Little Dragons			TMC			Scott Moger
Loose Shoes			TMC			Film Gallery
Made in Paris		ST				MGM/UA
The Magnificent Hustle				HTN*	C	Worldvision
The Man with Bogart's Face				(HTN)	C*	Viacom
The Marvelous Land of Oz				HTN*		Universal
Mean Streets			(TMC)		C*	Warner Bros
Meanest Men in the West				HTN*		Universal
Monty Python and the Holy Grail			(TMC)		C	Cinema 5
Morgan					C	Viacom
The Music Man					C	Warner Bros
My Champion	HBO					Filmways
Nashville Girl		ST				New World
Night Moves					C*	Warner Bros
Night School			TMC			Lorimar
Norman Is That You?		ST				MGM/UA
On the Right Track	HBO	ST	TMC*	HTN		20th Century-Fox
The Other Side of the Mountain II			TMC	HTN	(C)	Universal
The Outlaw					C*	Universal
Outlaw Blues				HTN*	(C)	Warner Bros
Over the Edge				HTN		Warner Bros
Paradise Alley					C	Universal
Pardon Mon Affaire					C	Samuel Goldwyn Co
Private Benjamin	HBO	ST	(TMC)			Warner Bros
Pulp					C	MGM/UA
Quadrophenia					C	World Northal
Return of the Secaucus Seven		ST	(TMC)		(C)	Libra
Revenge of the Mysterons from Mars		ST				ITC
Rock for Kampuchea					C	Miramax
Runaway Island	HBO					Grundy
Saturday the 14th	HBO					New World
The Sensuous Nurse					C	Castle Hill
Separate Ways					C	Crown International
Serial			TMC			Paramount
The Shogun Warriors Gai King		ST				Blum Group
The Shogun Warriors Spacekeepers		ST*				Blum Group
The Shout			TMC			Satori
Silence of the North			TMC	HTN		Universal
Silver Streak	HBO	ST				20th Century-Fox
Skatetown U.S.A.		ST	(TMC)			Columbia
The Sleeping Car Murder				HTN	(C)	Warner Bros
Smokey and the Bandit II	(HBO)	ST*	(TMC)	(HTN)		Universal
The Spiral Staircase				HTN	(C)	Warner Bros
St. Ives				HTN	(C)	Warner Bros
Star Trek: The Motion Picture		ST	(TMC)	(HTN)		Paramount
Starting Over	HBO	(ST)				Paramount
Stevie			(TMC)		C*	Samuel Goldwyn Co
The Story of Adele H			TMC			New World
Stripes	HBO	ST	TMC			Columbia
The Stunt Man	(HBO)	ST	TMC			Viacom
The Survivor	HBO		TMC			Hemdale
Terror Train	(HBO)	ST*				20th Century-Fox
This Time Forever	HBO					Cinepix
Thunderbirds to the Rescue		ST			(C)	ITC
Toby and the Koala Bear		ST	(TMC)			Satori
Touched by Love	(HBO)		TMC	HTN*		Columbia
Tribute to a Bad Man		ST			C*	MGM/UA
Tuck Everlasting			TMC	(HTN)	C*	Coe Films
Up River		(ST)	TMC		(C)	Gold Key
The V.I.P.'s		(ST)			C	MGM/UA
The Visitor					C	Samuel Goldwyn Co.
The Wanderers					C	Warner Bros
Which Way is Up?			TMC		(C)	Universal
White Water Sam					C	Keith Larson
Why Would I Lie?			TMC	HTN*		MGM/UA
Winds of Change		ST				Sanrio
The Wrong Arm of the Law					C	Janus
You Light Up My Life					C*	Columbia
Young and Free	(HBO)				C	Manson
Young Lady Chatterly		ST*				Simcom
Zero to Sixty		(ST)	TMC*			Samuel Goldwyn Co
Zorro, the Gay Blade	HBO	ST	TMC	HTN		20th Century-Fox

■ **Cable Network Legend**

HBO – Home Box Office
ST – Showtime
TMC – The Movie Channel
HTN – Home Theater Network Plus
C – Cinemax

■ Networks in parentheses indicate carriage in January, February, March, April and/or May

■ An asterisk following a network indicates the film is a carry-over from January, February, March, April and/or May

■ In total, 170 films appear on the June schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months, 10 films have appeared on four of the five services, 24 on three and 52 on two networks. Eighty-four films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 22, followed by Warner Brothers with 19 and Universal with 14.

■ Bill Murray in "Stripes" graces the program guide covers this June of HBO, Showtime, The Movie Channel and HBO/Cinemax. In Showtime's case, "Stripes" shares the cover with "33 Brompton Place," a new soap opera. The HBO/Cinemax guide also spotlights "Atlantic City," "Cutter's Way," and "Continental Divide." As for HTN Plus, the cover belongs to George Hamilton as "Zorro, the Gay Blade."

Top 20 MSOs

Rank	Multiple System Operator	Basic Subs	Pay Units
1	Tele-Communications Inc	1,900,000	N.A.
2	American Television and Communications	1,900,000	1,568,000
3	Group W Cable	1,710,425	1,283,276
4	Cox Cable Communications	1,131,981	1,003,398
5	Storer Cable Communications	920,000	1,030,000
6	Warner Amex Cable Communications	907,266	623,696
7	Times Mirror	675,847	427,209 (2/82)
8	Newhouse Broadcasting[1]	618,723	488,568
9	Rogers-UA Cablesystems	589,385	568,787
10	Viacom Cablevision[2]	532,440	374,338
11	Continental Cablevision	484,000	472,000
12	United Cable Television Corp	475,268	390,555
13	Sammons Communications	456,593	233,145
14	TeleCable Corp	309,900	168,200
15	Capital Cities Cable	297,420	181,168
16	General Electric Cable Corp	295,000	150,000
17	Heritage Communications	248,231	164,077
18	Comcast Corp	228,473	198,177
19	Liberty Communications	226,000	104,000
20	Cablevision Systems Development	225,107	219,959

[1] Newhouse Broadcasting includes MetroVision, NewChannels, Vision Cable
[2] Viacom Cablevision includes 40% ownership of Nor Cal Cable

Top 20 systems

Rank	Location	Operator	Basic Subs	Pay Units
1	San Diego, CA	Cox Cable	213,760	122,654
2	Manhattan, NY	ATC	156,250	87,850
3	Oyster Bay (Long Island), NY	Cablevision Systems	149,552	NA
4	West Orange, NJ	Maclean Hunter	135,383	161,599
5	Los Angeles, CA	Group W Cable	104,750	N.A. (12/31)
6	Wayne, NJ	Rogers-UA Cablesystems	104,286	101,033 (4/6)
7	San Antonio, TX	Rogers-UA Cablesystems	102,856	188,740 (4/6)
8	Tulsa, OK	United Cable	99,220	85,987
9	Erie County, NY	Prime Cable	92,965	65,311
10	San Jose, CA	Gill Industries	90,283	N.A. (2/31)
11	Audubon, NJ	NYT Cable	89,600	94,568
12	Tidewater, VA	Cox Cable	85,297	126,326
13	Austin, TX	ATC	83,500	44,850
14	Central Islip, NY	Viacom	81,277	59,230
15	Orlando, FL	ATC	79,100	66,750
16	Jefferson Parish/Kenner, LA	Cox Cable	73,780	107,000
17	Grand Rapids, MI	General Electric	70,500	37,700 (4/15)
18	Toledo, OH	Buckeye Cablevision	70,447	29,703
19	Hartford/Meriden, CT	Times Mirror	70,392	49,587 (2/82)
20	Manhattan, NY	Group W Cable	70,210	N.A. (1/31)

Note: Basic subscriber and pay unit counts are as of 3/31 unless noted otherwise

- Systems 'go' for The Entertainment Channel
- Canadian cable convention covers the bases
- Municipal officials voice legislative concerns
- Cable interests get piece of UPI sale

C8920-2
6/9/82

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Paul Bortz: Tracking the competition

PLUS

Business and finance: Knight-Ridder's cable quest

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CABLEXPO 82

Canadian attention

Pay television prospects ended up grabbing most of the attention at last week's cable convention in Toronto. **Leading the week, pages 13-20.**

New owners for UPI

E.W. Scripps has sold its financially troubled news service to a group composed in part by cable and STV interests. Some view the sale as a temporary reprieve for UPI. **Leading the week, pages 13-20.**

International video view

International programmers converged on New York City last week for an outlook on the cable market potential. Despite future talks, sellers say they want cash in hand today. **Leading the week, pages 13-20.**

TEC—ladder approach

Arnold Huberman, The Entertainment Channel's senior vice president of programming, is using his "ladder" theory in selecting programs for the service. Simply put, the theory seeks the middle ground. **Page 25.**

Sporting slam

The Entertainment and Sports Programming Network has inked a multi-year pact to cablecast basketball games of the powerful Atlantic Coast Conference. **Page 28.**

TEC takeoff

"Differentiation" is believed the key to success and that is exactly the approach being employed by The Entertainment Channel. TEC executives say all systems are "go." **Page 36.**

Idea dies on vine

The *Better Homes and Gardens Idea Notebook*, which premiered last October, has been dropped from its USA Cable Network slot. The final cablecast will be June 30. **Page 61.**

Warner worries

Tough questions surfaced at Warner's annual stockholders' meeting last week. Steven Ross, chairman, defended his salary, stock concerns and worries about relying too much on the video game division. **Page 62.**

Chi-town slices

Chicago has completed its RFP and set an Aug. 31 deadline for 50 of the top MSOs in the country. Those bidders will be seeking a slice of the multi-franchise market area. **Page 75.**

Counter comments

Municipal officials have responded to S. 2445 and those responses are concerned largely with losing legislative jurisdiction over cable systems in their cities. **Page 79.**

Tug-of-rates

The Copyright Royalty Tribunal will begin hearings June 15. As expected, various factions have taken up the traditional battle lines. **Page 79.**

About the cover

Paul Bortz, a Denver-based economist, was photographed by *CableVision* photo editor Rob Stuehrk.

This week in CableVision Plus

Focusing on business and finance, *Plus* queried Paul Bortz, a Denver-based economist who has a knack for putting the issues in perspective. Bortz outlines the challenges ahead: the stamina of STV, the prospect of multi-channel MDS and the inflexible nature of cable. While the cable industry prepares to cope with the next wave of electronic competition, the publishing industry is catching up with the cable revolution. Senior editor Jeri Baker explored Knight-Ridder's bold moves—from the plunge into videotex to the weighty alliance with John Malone's Tele-Communications Inc. Pages 37-60.

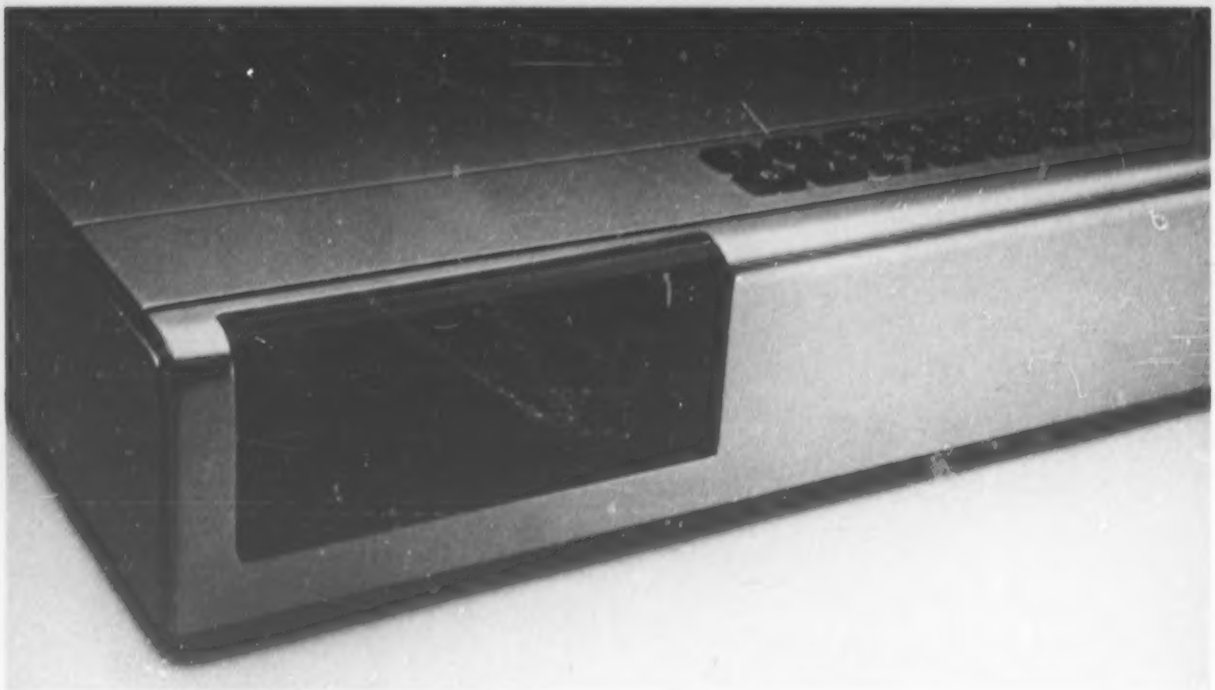
Inside Business & Finance

- Why the Prince of Print took a gamble on cable, p. 4
- Interview: A business economist tells why cable can't afford to be complacent, p. 14

CableVision

A weekly feature supplement

Vol. 1 No. 22



Scientific-Atlanta introduces the computer that thinks it's a set-top terminal

June 14, 1982

Genteel giant in a gambler's den

The nation's largest newsprint customer follows the 'publish or perish' dictum into cable and videotex

The board of Knight-Ridder Newspapers, Inc., was listening with every appearance of doubt to a day-long analysis of its cable opportunities in Sept. 1979.

A wave of dismissal seemed about to sweep the group. Suddenly, chairman James Knight, himself the source of the company's conservative image, dammed the ripple. "Damn it," he said to a board that starts its meetings with a prayer, "I think we should do it."

By Jeri Baker

Wall Streeters who leaven securities analysis with corporate psychoanalysis diagnose Miami-based Knight-Ridder Newspapers (KRN) as a case of split personality.

Number 3 in the trio of publicly-owned American newspaper publishers with annual revenues of more than $1 billion, the company was formed when the family-owned Knight Newspapers, 82 years old, and Ridder Publications, 71 years old, merged in 1974 in the industry's largest marriage. The aim was to gain a critical mass for a business that each had centered on large urban dailies. The result was an arch-conservative entity, still devoted entirely to newspaper publishing.

It was 1978 before KRN bought Poole Broadcasting and plunged into television, a decade or two behind similar diversifications by its peers.

On the other hand, a spate of ventures into electronic journalism has been more than prompt. Knight-Ridder's fastest growing subsidiary is Commodity News Services, Inc., a market news network that expanded last year from telephone and FM sideband delivery to Westar. Its *Pasadena Star News* is the first in the country to go to full pagination, a system that allows a single operator to create an entire newspaper page at a terminal. Its *Philadelphia Inquirer* has begun marketing its electronic library commercially as IN/FORM DATA SERVICES.

And it was the first newspaper publisher to experiment with videotex (the Viewtron trial) with AT&T in Coral Gables, Fla., in 1980-81. A commercial offspring—again a first—launches next year in Palm Beach, Dade and Broward counties.

That development was so enthusiastically embraced by KRN that Wall Street, which had long worried aloud about its reluctance to redeploy its surplus cash, now worried it was "putting its emphasis on the wrong syl-LA-ble," as Kidder Peabody analyst Joe Fuchs recalls it.

Institutional investors' hopes for KRN matched the ones other publishers had realized earlier: not videotex, but a cable move was what they wanted. The company had been promising it ever since the board fell in behind James Knight in 1979. But, in coming late, it found acquisition opportunities scant and its first courtships unsuccessful.

Operation Camelot

KRN figured it had $100 million to spend on its cable entry. And it wanted a proven management team to come with the deal. Its tack, it decided, would be to offer itself as an equity partner able to finance growth. Gradually, it would move to full control.

With a bow to the Knight name, broker A.G. Becker dubbed the project "Operation Camelot" and started the hunt for a damsel.

The glittering shoreline of Miami is home base for the newspaper conglomerate and its flagship paper, The Miami Herald. Knight-Ridder's far-flung enterprises are directed from corporate headquarters in the Miami Herald Building, below.

The Miami Herald
The Miami News

Financial highlights

Operating Revenue	1981	1980 *(in thousands)*
Newspaper advertising	$897,446	809,107
Circulation	237,767	209,961
Broadcasting	38,526	28,478
Commodity news services	26,801	18,976
Other	36,553	32,015
Total	1,237,093	1,098,537

Earnings

Net income	100,353	92,858
As % of revenue	8.1	8.5
As % of shareholders' equity	14.8	15.5
Per share	3.09	2.87

United said no, Continental said no. And then, in the fall of 1980, Morgan Stanley made it known that UA-Columbia Cablevision (UACC) would be for sale. KRN's joust began.

The price tag was twice what the publisher wanted to spend. A proposed partnership with Rogers Cablesystems foundered when Ted Rogers insisted on 51 percent ownership instead of equal parts. Newhouse did agree to a 50-50 split into two companies, with the existing management to stay with the KRN side. But that alliance collided with UACC president Bob Rosencrans' team's refusal to go along with partition.

Meanwhile, the per-share cost of the purchase was escalating. KRN sweetened its offer once, this time in conjunction with Dow Jones, to $75 and then again to $80. But in mid-1981, when Rogers and UA Theatre

Knight Ridder At A Glance

• Cable Television Operations

TKR Cable Co*

Acquisitions pending or completed from Cross Country Cable, TCI and, through TCI, Cable Information Systems, totaling some 80-100,000 subscribers in New York and New Jersey.

50-50 partner with Times Mirror Cable in T-M's existing Long Beach, CA, system. Awaiting approval of amended franchise, which will add 153,000 homes.

50-50 partner with Telecable Corp. in bid for Tampa, FL, with 112,000 homes. Response to RFP due in June.

• Daily Newspapers

Aberdeen American News
Akron Beacon Journal
Boca Raton News
Boulder Daily Camera
Bradenton Herald
Charlotte Observer
Charlotte News
Columbus Ledger
Columbus Enquirer
Detroit Free Press
Duluth News Tribune
Duluth Herald
Fort Wayne News Sentinel
Gary Post-Tribune
Grand Forks Herald
Journal of Commerce
Lexington Herald
Lexington Leader
Long Beach Press-Telegram
Macon Telegraph
Macon News
Miami Herald
Pasadena Star-News
Philadelphia Inquirer
Philadelphia Daily News
St. Paul Pioneer Press
St. Paul Dispatch
San Jose Mercury
San Jose News
State College (Pa.) Centre Daily Times
Tallahassee Democrat
Wichita Eagle-Beacon

• Television Stations

	Market Rank
WJKT-TV, Flint, Mich. (ABC)	53
WPRI-TV, Providence, R.I. (NBC)	38
WTEN, Albany, N.Y. (ABC)	50
WTKR—TV, Norfolk, Va. (CBS)	46

• Other Operations

Commodity News Service
HPBooks
Knight-Ridder Newspaper Sales
KNT News Services
Observer Transportation Company
Portage Newspaper Supply Company
Viewdata Corporation of America

• Suburban Newspapers

California
Anaheim Independent
Arcadia Tribune
Buena Park News
Duartean (Duarte)
Huntington Beach Independent
La Mirada Lamplighter
Monrovia News-Post
Orange County News
Temple City Times

Florida
Florida Keys Keynoter

Georgia
Milledgeville Union Recorder

Partially-owned
Dublin Newsprint Mill**
Seattle Times***
Walla Walla Union-Bulletin***

* Formed in January, 1982 and jointly owned with Tele-Communications, Inc.

** Knight-Ridder owns one-third of the company in equal partnership with Media General, Inc. and Cox Enterprises, Inc.

*** Knight-Ridder owns 49.5% of the voting common stock and 69% of the non-voting common stock.

Circuits, a minority owner of the MSO, came up with $90, or $947 per subscriber, KRN abandoned the field.

Six months later, it was back, this time with Denver-based Tele-Communications Inc. in a 50-50 joint venture to acquire, develop and operate systems as TKR Cable Co. TCI's contribution, says Bob Singleton, senior vice president, finance, is in evaluating acquisition opportunities and buying programming. Knight-Ridder's is its credit rating and its deep pockets. "TCI hadn't the cash resources we did," he said.

KRN has secured $100 million in revolving credit for TKR—"which we can increase with a couple of phone calls," noted Singleton. In effect, KRN lends to TCI to invest in TKR, with the borrowing done at KRN's rates. KRN's higher contribution to the venture "costs us nothing," Singleton said. "TKR would have borrowed anyway. The note is just payable to us instead of Chase Manhattan."

The quid pro quo: All the TKR systems are considered part of the TCI buying group. Now the number one MSO, TCI has leverage that has been much in the news as it sews up discounted service fees for programming based on two million subscribers. "There's a lot of dough associated with that," as Singleton put it. The savings are said to be as much as $1 per subscriber per month.

Empire Building

In addition, KRN gets training in cable dealmaking "at the feet of the master," according to one analyst of the alliance who admires TCI president John Malone's acquisition prowess. It was apparently Malone's desire for the unaffordable Cross Country systems that brought the two companies together.

In February 1982, KRN revealed that TKR's first order of business was to purchase 42,000 Cross Country subscribers in three northern New Jersey counties representing 102,000 franchised homes. The price: over $43 million, a per sub cost second only to the sale by Irving Kahn of his Audubon, N.J. systems to the New York Times Co.

TCI already owns systems in Elizabeth and Long Island Beach near Cross Country's Bound Brook and Sayreville headends and is in the process of concluding its own purchase of Cable Information Systems' New York properties to amass a contiguous group of some 45,000 subscribers. The second phase for TKR is to buy five of those systems from TCI, thus nearing its year-end target of a 100,000 subscriber cluster. The total value of the acquisitions done and pending is $89 million.

By taking TCI's hand, KRN reduced its immediate outlay to about one-third what the UA-Columbia deal would have cost it, according to Lynch, Jones & Ryan's Bruce Thorp, who analyzes newspapers for institutional investors. But some look askance at the decision, comparing TKR's new possessions to UACC's growth potential at the time it was on the market. In major installations in San Antonio, Westchester and northern New Jersey, UACC was less than one-third of the way to full build-out of more than 400,000 homes in the franchised area.

KRN and TCI defend the moves by pointing out that the Cross Country systems are new late '70s franchises, pass 79,000 of the total 102,000 homes, have the capacity for 35 channels and are currently providing, at 20-plus, "all the programming anyone could ask for," according to one TCI source.

The source went on to acknowledge that the systems TCI is acquiring from Cable Information Systems are "a mixed bag" in terms of franchise calendars and channel capacity. (City authorities have not all been informed of these moves, he said, accounting for TCI's reluctance to detail each system.) Overall, there are about 100,000 homes in the franchise areas that will go to TKR. Homes passed so far are about 86,000, and subscribers number something over 38,000.

Other possibilities on TKR's table are said to range from individual systems, through groups, to a full MSO buy-out. "Sure, the UACC potential was a lot higher," concedes A.G. Becker's Tony Hoffman. "But TKR is buying at ten times cash flow now. When they turned away from UACC, the multiple had gone to 17. In good conscience, we couldn't recommend it."

Knight-Ridder Broadcasting chairman Al Gillen appears to waste no time on regrets. "That's life," he said of the $1000+/subscriber price. "A year's gone by. Cable's moving too fast for us to have expected prices to stand still."

Five-year plan

KRN chairman Alvah Chapman has said he expects TKR Cable to have gathered up 500,000 subscribers in five years. Singleton put their value at $500 million "at today's levels for state-of-the-art systems." Gillen projects a 10 percent contribution to KRN profits from cable by 1987. (That apparently anticipates a go-ahead on two other non-TKR ventures: KRN decided to join Times Mirror—KRN's predecessor in cable and its follower in videotex—in its Long Beach, Calif., system already underway. KRN also bid with Telecable for Tampa, Fla. The two 50-50 ventures are expected to add another 150,000 subscribers to KRN's universe.)

The company plans in five-year increments, so that perhaps explains why projections halt at 1987. But TCI is so frequently predicted to be preparing to sell well within that time that it prompts questions about KRN's longer-term ambitions.

Gillen, who claimed ignorance of any such TCI speculation, laughed aloud at the prospect of buying the billion-dollar MSO itself. "We'd love to consider it," he said, chuckling. "But would this company spend that kind of money? It's too big for us."

There is a clear dovetailing sometime in the future between TCI's plans, KRN's target growth in cable and its original intention to learn the business and then move to full control. The T in TKR might be erased as soon as the publisher decides in-house cable management skill is in hand.

At the projected half-million subs, KRN would land comfortably among the top MSOs, following other publishers who moved more quickly to 100 percent ownership of cable properties.

Even as half-owner, Knight-Ridder's entry rounds out a cable-owner quartet of publishers—Time, Newhouse, and Times Mirror—that alone has invested in systems representing about $3 billion of cable assets and 33 percent of cable subscribers. The *Wall Street Journal* reporter who recently quoted that statistic also added the unattributed judgment that it represents "practically a takeover of the cable industry."

Ad promise

Within the context of Knight-Ridder's decision to go into cable is, of course, the health of its main business.

At the April annual meeting that raised president and ceo Alvah Chapman to chairman, he told shareholders his satisfaction "above all (with) the untapped opportunity to expand the advertising potential" of KRN's new cable properties.

Barely one month after the TCI joint venture had been announced, Chapman and then-chairman Bernard Ridder were reporting to shareholders that the last quarter of 1981 had brought a 5.6 percent drop in advertising linage for the company's 33 newspapers compared to the year before. In the first quarter of this year, Chapman reported, linage was down again by 5.9 percent, with classified sinking almost 15 percent.

Newspaper advertising accounted for 73 percent of Knight-Ridder's consolidated revenue in 1981. It had managed an increase over 1980, but that was very much due to higher average rates. The Newspaper Advertising Bureau attributed 1981's apparently healthy increase in ad revenue throughout the industry largely to an 11.8 percent jump in average linage rates over the same period.

KRN profits have risen for six years in a row and were up 7.7 percent in 1981 over 1980. Though it had long telegraphed its expectation that earnings would decline in the first quarter of 1982 and rally in the second half, the news was painful when it came that $20,580,000 in 1980 had dipped faster than projected, to $15,138,000 in 1981. The trough will be longer, too, thanks to a recession more indomitable than planned. Chapman still expects earnings to rise again this year, but now he qualifies that statement with "barring a collapse of the economy."

About one third of the last quarter's earnings drop was attributed to expansion in Philadelphia, where KRN's *Inquirer* and *Daily News* are stepping in to fill the void left by the folding of the *Bulletin*. And Chapman adds that KRN is still growing faster than the newspaper industry in general because of its successful pursuit of part-run advertising and a new crop of ad clients.

But newspaper publishing overall, and Knight-Ridder as a major player is in a time of some turmoil.

As an industry, it has become more reliant on national and classified advertisers, while its third staple, retailers, has been siphoned off to television. But the first are historically cyclical, and the dry seasons they provoke were what drove newspaper companies into media diversification in the first place.

Bruce Thorp, of Lynch, Jones & Ryan, puts Knight-Ridder "in there with the pack" of publicly-owned companies face-to-face with the vulnerability of their ad resources. "As a group, they were all down in linage by 0.8 percent in the first quarter of this year versus last," he says. There is "some relief" among institutional investors, he adds, that "Knight-Ridder's in cable now."

"They've crossed the Rubicon and defined themselves as an information company," said Kidder Peabody's Joe Fuchs approvingly.

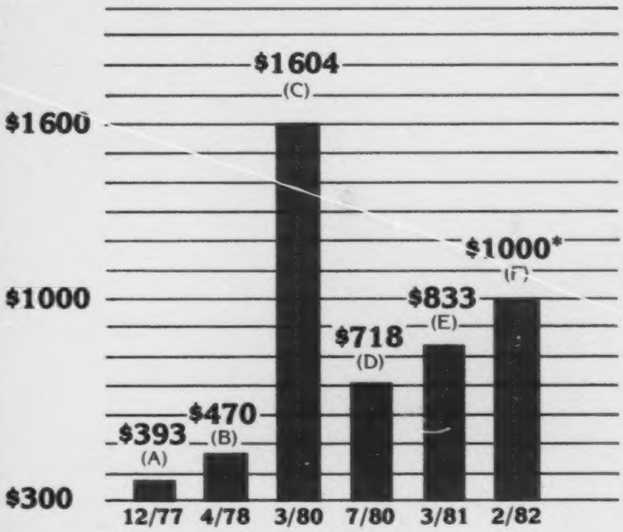
Viewtron: A hedge

It was Fuchs who had once called for a "mercy killing" of Viewtron, KRN's two-way, telco-delivered electronic home information service. What he termed "huckstering" by enthusiastic company executives had been widely misinterpreted to mean a major investment at risk. Management's enthusiasm is still high, but it has become extraordinarily candid about videotex unknowns and repeats at every opportunity that it has channeled only $18.5 million into the development in five years.

KRN's new president James Batten, former senior vice president for news and content development for Viewtron, gave a recent update that was an adept

Publishers' payments per cable subscriber

(including assumption of debt)

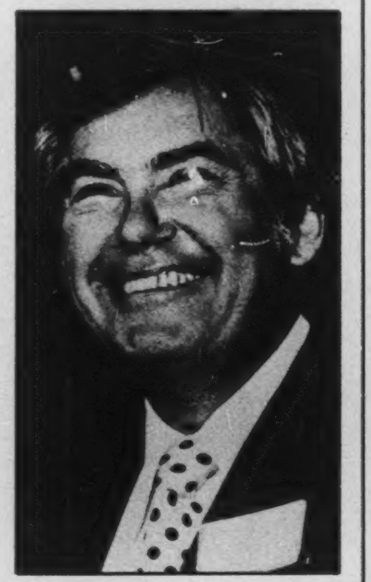


Source: Goldman Sachs, CableVision

A. Time Inc/ATC (100%)
B. Times Mirror/CPI (100%)
C. New York Times/Audubon Electronics and Cable Systems Inc. (100%)
D. Capital Cities Communications Inc./Cablecom General Inc. (100%)
E. Newhouse Communications Co./Vision Cable Communications Inc. (100%)
F. TKR Cable Co./Cross Country Cable systems in Monmouth, Somerset and Middlesex counties, New Jersey (50% Knight Ridder, 50% TCI)

'Cable's moving too fast for us to have expected prices to stand still. . .'

—Albert J. Gillen, KRN chairman



balance between optimism and pragmatism.

For several years, he noted, Knight-Ridder had had the experimental videotex field to itself. It tested Viewtron, free, before some 205 homes in Coral Gables for two years. It is essentially close-mouthed about the results, which will underwrite the commercial launch of the service next August. But, said Batten, "Depending on what phase of the test you're talking about, 85-93 percent of our users liked Viewtron and the overwhelming majority said they'd want to subscribe at what strikes us as substantial rates.

"We still have big pricing decisions to make, although they are coming into sharper focus now. The monthly subscription will be roughly in the $25 range, plus the cost of the terminal, so we're obviously talking about an upscale target group to begin with. (Telco charges for line usage are not included in his estimate.) We are comfortable with our projection of 5,000 subscriber homes by the end of the first year, or mid-1984."

Circling around to repeat KRN's minimal spending on Viewtron since its 1978 inception, Batten added, "About 70 percent (of the $18.5 million) will have been expensed over the years as we've gone along, with an after-tax cost of $6 million. The remainder of our spending will have gone for computers and related gear, and that's been capitalized.

"If we were to scrub the project, we would use that hardware elsewhere in Knight-Ridder or re-sell it so we would re-coup most of that money."

The 1983 launch of Viewtron in Palm Beach, Broward and Dade counties has 12 months to prove itself, Batten says. "If the news is good, we'll. . . expect to become profitable in south Florida in four-five years. If not, we'll fold the project. Either way, Viewtron will have no material impact on Knight-Ridder's earnings in 1984. . ."

If the news *is* good, KRN already has plans for other major city launches. It has agreements with the publisher of *The Boston Globe* and with Capital Cities, publisher of the *Kansas City Star/Times* and the *Fort Worth Star/Telegram*, to set up going ventures in Viewtron, giving majority ownership to the local papers.

Lessons and Lonely Hearts

Observers and strategists alike are agreed on the obvious: No one really knows how central a role information and transactional services will play in the everyday lives of consumers.

Says Goldman Sachs vice president Ellen Sachar, in a recent report titled "Reflections on the Future of the Daily Newspaper," "In today's dollars, unless one were a businessman (or woman) with a very clearly defined business use for the kind of information a Viewtron-like system could provide (i.e., thereby making Uncle Sam one's partner in this expenditure), why would one add such a high monthly outlay to an already strained monthly budget?"

There is at least one other person who banks on commanding need of quite another sort. Norman Morrison, KRN's research vice president and a Ph.D. engineer formerly with Bell Labs, knows firsthand about everyday dependence on Viewtron and the knowledge does not stem from his position as architect of the service.

It seems that in the months preceding the Coral Gables introduction, developers' hours were long and the pressures intense. Renewal of his driver's license was just one of those things Morrison let slide. And very late one night, as he slid too quickly past a stop sign just blocks

1981 revenues of the top 4 newspaper publishers

Times Mirror	$2.1 billion
Gannett	$1.4 billion
Knight-Ridder	$1.2 billion
New York Times	$843 million

The chairman told shareholders of his satisfaction 'above all (with) the untapped opportunity to expand the advertising potential' of KRN's new cable properties.

Alvah H. Chapman, chairman
Knight-Ridder Newspapers Inc.

from his house, he was pulled over by a local policeman. Successfully arguing his way out of retribution, Morrison promised he'd be at the Motor Vehicles Department in the morning.

In the handful of wee hours before the division opened, he sat before his Viewtron screen and called up the Florida driver's test.

That section of the Viewtron promo reel played pointedly all during a recent luncheon held by KRN for financial analysts.

Morrison did share some of the findings gleaned in Coral Gables: Being able to study for college entrance exams was deemed valuable. People flocked to what the company called "graffiti"—messages that ranged from golf dates to dates of other sorts, the latter turning into a kind of Miss Lonelyhearts service.

Shopping was said to be popular. But it is banking at home, in the eyes of the banks if not yet their customers, that is giving the spur to Viewtron's moneymakers—the transactional services on which it will take a one to four percent cut.

Nine banks, a savings and loan and several credit unions have signed letters of intent to be involved in the commercial venture. Southeast Bank in Miami will develop and operate a separate company connecting participating banks to Viewtron's central computer.

"The banks are pushing hard," says Morrison. "They figure it costs them $1 for every piece of paper they handle. They see the electronic medium as their salvation. If we weren't going forward in 1983, they'd leap into this kind of thing themselves."

The information and computer side of Viewtron is Knight-Ridder; the terminal and communications side from AT&T. "AT&T knows it's in a life and death struggle with cable," says Morrison.

What of KRN's own plans for a cable-videotex alliance down the road? Morrison says there has been no persuasive cost model to confirm the alleged savings through cable delivery. "If it's economical, we'll do it."

The obvious test beds, said Al Gillen later, are KRN's own cable systems, where channel capacity and plant sophistication permits. All TKR systems are to be interactive at some point, according to Bob Singleton. In addition, the Long Beach, Calif., system in which KRN seeks to join Times Mirror promised videotex in its original application. Both publishers are deeply engaged in home information service development, but there has been no mention of the obvious yoking such a joint system venture might herald.

It's clear Knight-Ridder hears the thunder of hooves behind it. By Alvah Chapman's count, at least 60 companies have made some sort of investment in information provision so far, and the number of tests underway doubled in the last year.

"We saw a fork in the road and we knew we had only one life to live," said Norm Morrison of the decision to go with full two-way videotex instead of simpler, cheaper one-way. The oddly romantic choice of words calls up the sense of grit and mission that has characterized KRN's activity in its newspaper domain. Whether chased into or pursuing a whole new information realm, KRN may be mending its split personality as it melds the strands of its traditional and innovative businesses.

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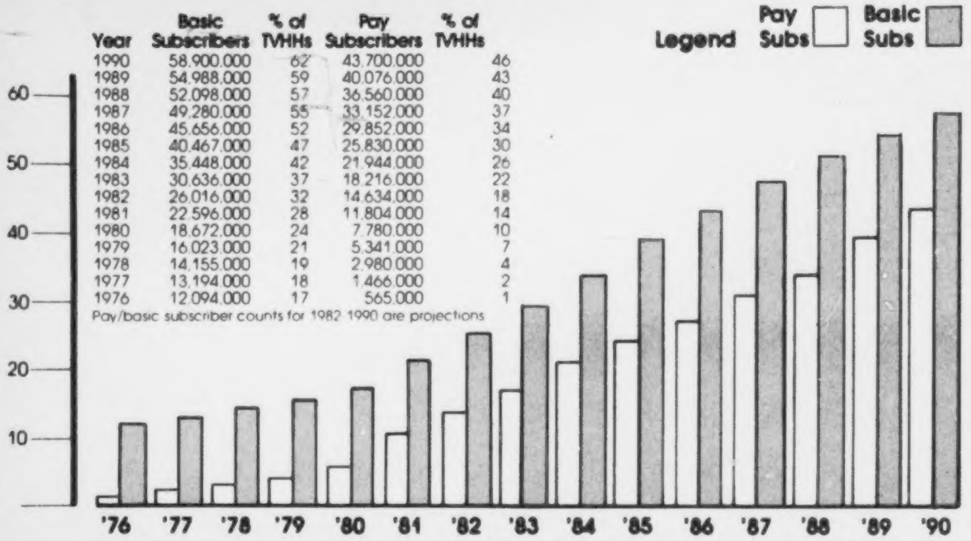
Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982 1990 are projections

Cable barometer

Television households (TVHH) ... 80,700,000

Homes passed by cable (HP) 42,000,976

Percent of TVHH passed by cable 52.05%

Basic cable subscribers 22,821,167

Percent of TVHH with basic cable . 28.28%

Percent of HP with basic cable . 54.34%

Pay cable subscribers 12,051,461

Percent of TVHH with pay cable .. 14.93%

Percent of HP with pay cable .. 28.69%

Percent of basic subs with pay cable 52.81%

Satellite-fed cable services' subscriber counts

Basic Services	Affiliates*	Subscribers*	% Change In Subs From 3/31
ACSN	217	1,431,271	+3
BET	845	9,100,000	N.C.
CBN	2,860	16,200,000	+3
CBS Cable	350	4,000,000	N.C.
CNN	2,255	13,040,000(5/12)	+9
CNN2	140	1,200,000(5/12)	+27
C-SPAN	1,000	11,000,000	N.C.
Daytime	343	5,170,510(5/15)	+19
ESPN	3,685	15,848,692	+3
Eternal Word Television Network	25	356,197(5/15)	+11
MSN	541	4,338,664(5/20)	+5
MTV	600	4,000,000	+38
National Christian Network	50	348,000	+8
National Jewish Television	90	1,896,800(5/15)	+3
Nickelodeon	1,725	7,700,000	+19
North American Newstime	117	894,193	N.C.
PTL	600	5,200,000	+2
SIN[1]	488	24,652,500(5/21)	+15
SPN[2]	460	4,591,505	+4
Trinity	170	1,587,000	N.C.
USA Network	1,800	11,000,000	+5
The Weather Channel[3]	353	4,500,000(5/21)	—
WGN	2,719	8,405,198	+3
WOR	1,327	4,911,148	+1
WTBS	4,144	21,190,000(5/12)	+4
Basic Audio Services			
Lifestyle	61	536,492	+10
WFMT	126	813,671	+9
Pay Services			
Bravo	28	59,589	+19
Cinemax	900	1,500,000	N.C.
EROS[4]	9	90,000(5/21)	—
Escapade/Playboy	137	232,332	+11
GalaVision	134	100,000	N.C.
HBO	3,600	9,000,000	+6
Home Theatre Network	275	155,000	N.C.
Home Theater Network Plus	N.A.	N.A.	N.A.
The Movie Channel	2,150	2,200,000	+21
Showtime	1,500	3,000,000(3/15)	+5

Announced Satellite-Fed Cable Services	Projected Launch Date
ABC/ESPN Pay Service	4th quarter 1982
American Satellite Network	T.B.A.
Apollo Satellite Television	10/82
The Buena Vista Channel	T.B.A.
Cable Health Network	6/82
Cable Newspaper Corporation	9/82
CableShop	1st quarter 1983
Christian Media Network (relaunch)	T.B.A.
Cinemerica	T.B.A.
The Disney Channel	2nd quarter 1983
Family Programming Network	T.B.A.
Heartbeat Media Network	3rd quarter 1982
Home Music Store (audio)	T.B.A.
The Job Channel	T.B.A.
Kidvid Network	9/82
Lewmark Productions Music Channel	T.B.A.
Magicable	3rd quarter 1984
Nashville Network	3/83
National Jazz Network (audio)	T.B.A.
PBS Cable	T.B.A.
Penthouse Entertainment Network	T.B.A.
RCTV/Entertainment Channel	6/82
Satellite News Channels (one)	6/82
Satellite News Channels (two)	1st quarter 1983
Sitcom Channel (Channeltainment)	1st quarter 1984
Spanish Universal Network	7/82
SPN/International network	2nd quarter 1984
SPN/Financial-religious network	2nd quarter 1984
SPN/Classic movie network	2nd quarter 1984
SPN/How-to network	2nd quarter 1984
Top Entertainment Network	T.B.A.
United Satellite Television Network (4 services)	1st quarter 1983
U.S. Catholic Conference Satellite Network	9/82
UTV Cable Network	1/83
Video Concert Hall (relaunch)	Fall 1982
Window	T.B.A.

*Affiliate and subscriber counts are as of April 30, 1982, unless otherwise noted.

[1] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 3,027,700

[2] Subscriber count denotes households receiving signal

[3] Launched May 2

[4] Launched May 6

N.C. designates no change

N.A. designates not available

T.B.A. designates to be announced

Satellite line up

Satcom IIIR (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Television Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, Cabletext, North American Newstime)	6
ESPN	7
Christian Broadcasting Network	8
USA Network, BET	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Showtime, (used by Eastern Microwave for WOR until Cable Health Network debut, 6/30/82)	17
Reuters, GalaVision (at night)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark/Home Theater Network Plus	21
HBO/Modern Satellite Network, leased for Daytime	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)	**Transponder**
ESPN (Bravo)	6
National Christian Network (Escapade)	7
RCTV/The Entertainment Channel	8
Warner Amex	11
Showtime (subleased to Compact Video)	15
Trinity	17
HBO	18
American Network	19

Satcom V—Projected launch mid-1983
Satcom IR—Projected launch September 1983
Satcom IIR—Projected launch September 1983

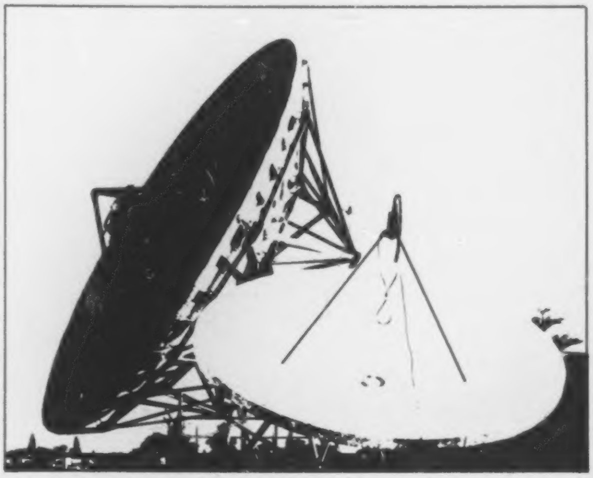
Westar IV (Western Union)	**Transponder**
CBS Cable	3D
SIN	3X
Wold Communications	5D
Wold Communications (Financial News Network, SelecTV)	5X
Wold Communications—pay service TBA	9X
Wold Communications (Eternal Word Television Network, EROS)	10D
SPN	11X
GalaVision	12X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat, and Equatorial will have transponders on Westar IV.

Westar V—Projected launch July 1982. Transponder holders: CBS Cable (2); Westinghouse for Satellite News Channels, The Disney Channel, Nashville Network (10); Eastern Microwave for WOR (1); Hughes Television Network (1); TCI (1); UTV Cable Network (1); Bet (1); Dow Jones (2); and Citicorp (2).

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz. Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2), Viacom (2)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1) and NEC (1).
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built



Cable penetration in top 25 TV markets

Rank	Market	Cable Subscribers*
1.	New York City	1,349,907
2.	Los Angeles	624,728
3.	Chicago	175,751
4.	Philadelphia	693,157
5.	San Francisco	663,484
6.	Boston	288,091
7.	Detroit	175,275
8.	Washington, D.C.	79,425
9.	Cleveland	265,391
10.	Dallas/Fort Worth	116,496
11.	Pittsburgh	552,676
12.	Houston	192,176
13.	Minneapolis/St. Paul	44,945
14.	St. Louis	94,034
15.	Seattle/Tacoma	236,616
16.	Atlanta	208,150
17.	Miami	288,327
18.	Tampa/St. Petersburg	169,035
19.	Baltimore	69,682
20.	Denver	53,637
21.	Indianapolis	165,050
22.	Sacramento/Stockton	402,349
23.	San Diego	361,940
24.	Portland, OR	85,239
25.	Kansas City, MO	112,912

*Cable penetration in 50 mile radius of market city, subscriber totals from "CableFile/82."

MADE IN NEW YORK

- New York pumping funds into cable
- Government authorities rip franchise fees
- ABC readies first steps for HVN service
- Turner editorial sparks heated industry debate

C8920-2 6/17/8

CableVision

The news and features weekly of the cable television industry June 21, 1982 $3.00

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WASHINGTON DC 20014

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280
200
MELISSA

What network mainstay is making a comeback on cable?

PLUS

Programming: Director's choice

CableVision

June 21, 1982. Volume 7, Number 41

Between the lines/5
CableScope/9
Newswire/10
Leading the week/13
Programming/23
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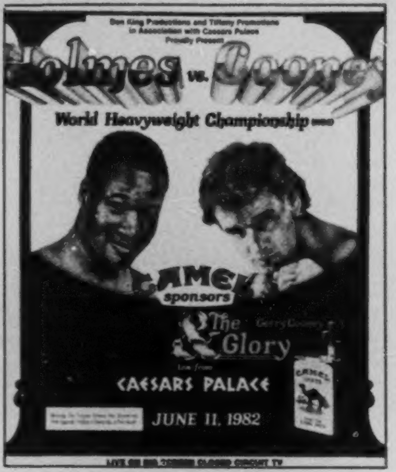


Don King Productions and Tiffany Promotions in Association with Caesars Palace Proudly Present
Holmes vs. Cooney
World Heavyweight Championship
CAMEL sponsors
The Glory
CAESARS PALACE
JUNE 11, 1982

Uncrowned ring king

The Cooney-Holmes heavyweight bout is over, but the uncrowned cable boxing champ is still Don King. **Leading the week, pages 13-20.**

N.Y. sweetens pot

New York has funded a $200,000 study aimed at keeping cable programmers and facilities in New York City. That and other incentives are all part of a "Made in New York" campaign to prevent an exodus to California and other states. **Leading the week, pages 13-20.**

Franchise folly

FCC commissioner Mimi Dawson and House subcommittee counsel Thomas Rogers have problems with cities charging franchise fees. They expressed those opinions at a meeting last week. **Leading the week, pages 13-20.**

Documenting Bell

NCTA board chairman John Saeman recently met with members of Congress to help set the stage for legislation that will prohibit Ma Bell from providing cable programming. **Leading the week, pages 13-20.**

Cancer fight

The cable industry figures to be a major contributor to a $300,000 target expected to be raised during an annual golf tournament. Those funds will be used to battle cancer. **Leading the week, pages 13-20.**

Editorial price tags

Ted Turner recently delivered an editorial over his cable services. The message was anti-violence and in itself was acceptable. However, the fact that Turner made the comments has opened a can of worms. **Page 23.**

Changing the accent

TeleFrance is creating a cultural bridge between the spoken word and the moving picture with some help from fancy equipment and some talented people. **Page 28.**

Distribution pitfalls

New distribution techniques for films are creating some interesting avenues and challenging the tried and true methods of the past. The dilemma is in deciding which of those avenues present the best opportunities. **Page 39.**

Soaring discs

Despite the recession and press reports that the video disc has been a bust, RCA vice president Thomas Kuhn said first-year sales have exceeded expectations. **Page 41.**

ESPN battle plan

Pay-per-view offerings of major sporting events such as the Super Bowl and the World Series are being looked at as a method of offsetting rising program cost. **Page 41.**

Local origination bidders

Franchise consultants are giving 'LO' packages a close look and often times the results of that examination can prove the difference in winning or losing the war. **Page 75.**

Copyright squeeze

Opponents of the cable copyright bill are seeking amendments that could damage the fragile compromise. **Page 78.**

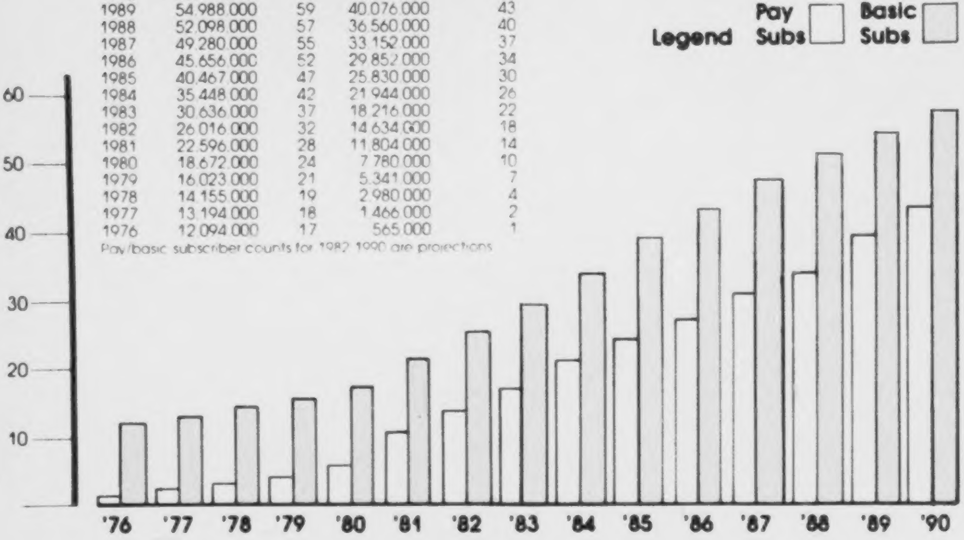
This week in *CableVision Plus*

Game shows haven't died, they've been snoozing. A flock of quiz shows are in the wings and about to be reborn on cable networks. *CableVision Plus* takes a look at the line-up from *Super Bingo* to *The Shopping Game*. On the West Coast, bureau chief Patricia Goldstone visits with veteran directors George Schaefer and Merrill Karpf, who have formed a new production company. They tell us why cable looms large in their future plans. **Pages 43-66.**

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Franchising in the top 50 markets

Rank	Market	Status of Core City
1.	New York	Manhattan-OP/four unwired boroughs—FP
2.	Los Angeles	City is divided into 14 areas (A-N). Eleven-FG Three-FP
3.	Chicago	BP
4.	Philadelphia	City divided into N,S,E,W. S-OP. Other three-FP
5.	San Francisco	OP (System to be upgraded)
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas/Ft. Worth	Two systems-OP
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/St. Paul	FG (reissued)/FP
14.	St. Louis	BP
15.	Seattle/Tacoma	Seattle is divided into four parts (2OP/1FG/1BP)/Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/St. Petersburg	FP/OP
19.	Baltimore	BP
20.	Denver	FG
21.	Indianapolis	FG (to be turned on shortly)
22.	Sacramento/Stockton	BP/OP
23.	San Diego	OP
24.	Portland	City is divided into 3 parts (2-OP/1-FC)
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FP
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/New England	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FG
37.	Greenville/Spartansburg/Asheville	Three systems-OP
38.	Grand Rapids/Battle Creek/Kalamazoo	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	Two systems-OP
43.	Charleston/Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/Lancaster/Lebanon	Four systems-OP
47.	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48.	Wilkes-Barre/Scranton	Two systems-OP
49.	Albany/Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Based on chart from the NCTA report on cable franchising, using Arbitron's designated market areas

Legend:
OP-operational
FG-franchise granted
FP-franchise pending
BP-beginning process
LNA-little or no action

National cable advertising

This chart lists national advertising sales by the basic cable networks during April and May 1982.

Network/Client	Status
BET	
Amtrak	Renewal
Carson Products	Renewal
General Electric	Renewal
General Foods	Renewal
General Mills	Renewal
Ford (Lincoln-Mercury)	Renewal
Philips Petroleum	Renewal
Pepsico	Renewal
Sears	Renewal
U.S. Army	Renewal
U.S. Navy	Renewal
Westinghouse	Renewal
Wrigley's	Renewal
Xerox	Renewal
CBS Cable	
Bolla Wines	Renewal
Bristol-Myers	Renewal
Dow Jones	New client
Eastman Kodak	New client
E.F. Hutton	Renewal
Exxon	New client
Ford	Renewal
General Motors	Renewal
Home Box Office	Renewal
Kellogg's	New client
Knight International	Newclient*
Kraft	New client
Perrier	New client
Quaker Oats	Renewal
Shell Oil	Renewal
Universal Pictures	New client
Volkswagen of America Inc.	Renewal
Warner Communications	Renewal
CNN	
Aetna	New client
Black & Decker	New client
Citicorp	Renewal
E.F. Hutton	New client
Esmark (Playtex)	Renewal
Eastman Kodak	Renewal
GMAC/Buick	Renewal
General Mills	Renewal
General Motors (Chevrolet)	Renewal
Hanes	Renewal
Home Box Office	Renewal
Jamaica Tourist	Newclient*
National Autofinders	Newclient*
Nine	Newclient*
Pendelton Mills	Renewal
Perrier	New client
Savings & Loan	New client
Shering Plough	Renewal
South African Airways	Renewal
Transamerica/Occidental Life	New client
SSS Co. for 20/20 Eyedrops	Renewal
Wausau Insurance	Renewal
Daytime	
Campbell's Soup	Renewal
DMC Corp.	Renewal
Doubleday/J.C. Penney	Newclient*
General Motors (Chevrolet)	Renewal
Kraft	Renewal
Nylint Toys	Renewal
Quaker Oats	Renewal
Revlon	Renewal
Sears	Renewal
Trans World Airlines	Renewal
ESPN	
AMF	New client
AT&T (Longlines)	Renewal
American Express	Renewal
Avis	Renewal
Bantam Books	New client
Bendix (Fram)	Renewal
Burnham.Van Service	Newclient*
Carter Wallace	Renewal
Charles Schwab & Company	Newclient*
Chevrolet Trucks (General Motors)	New client
Dunlop Tire & Rubber	Renewal
Eastman Kodak	Renewal
Florapax	Newclient*
General Motors (GMAC/Buick)	Renewal
Hilton	Renewal
Home Box Office	Renewal
Lipton	New client
Mercedes-Benz	Renewal
Paramount Pictures	Renewal
Pentax	New client
Prince Tennis Raquets	Renewal
SSS Co. for 20/20 Eyedrops	New client
Showtime	Renewal
Technology Illustrated	Newclient*
Universal Pictures	Renewal
Urban General	Renewal
Volkswagen	Renewal
Volvo	Renewal
Wrangler Jeans (Bluebell)	Renewal
Warner Communications (Ralph Lauren)	Renewal
MSN	
Cook'N Ca'jun	Newclient*
General Foods	Renewal
Sealy	New client
Warner Lambert	New client
National Jewish Television	
Goody Products Inc.	New client
SIN	
Anheuser-Busch	Renewal
Banfi Products	Renewal
Balaccio Wine	Renewal
Eastern Airlines	New client
General Foods	Renewal
Hartz Mountain	Renewal
Pepsico	Renewal
Polaroid	Renewal
Revlon	New client
SPN	
American Express	Renewal
Avis	Renewal
Business Week	Renewal
Ceasars Tahoe	New client
Cheesborough Pond	New client
Commadore Computer	Renewal
Consumer Reports	Renewal
Dow Jones	Renewal
Eastman Kodak	Renewal
Esmark (Playtex)	Renewal
Estee Lauder	New client
Crolier Books	Newclient*
Kaiser Aluminum	Renewal
Kleenex	New client
Lysol	New client
Mennen	New client
Moosehead Beer	Renewal
Pentel	Renewal
Preparation H	New client
Quaker Oats (Fisher-Price Toys)	New client
Sears	New client
Smith Barney	Renewal
TWA	Renewal
Time	Renewal
Union Carbide	Renewal
Villa Biaachi Wine	Renewal
TeleFrance	
Chanel	Renewal
Club Med	Renewal
Elf Aquitaine	Renewal
Exxon	Renewal
Made in France International	Renewal
USA Network	
AT&T	Renewal
Activision	Renewal
American Cynamid (Lederle)	New client
American Express	Renewal
Black & Decker	New client
Boxing Analysts	Newclient*
Business Week	Renewal
CBS Records	New client
Charles Schwab & Company	New client
Citizen Watch	New client
Filmways	New client
Franklin Mint Country Thimbles	New client
General Foods	New client
General Motors (Chevrolet Trucks, Camero)	Renewal
Hanes	Renewal
H.I.S. Jeans	Newclient*
Home Box Office	Renewal
Home Video Magazine	New client
J.C. Penney	Renewal
Jeffery Martin	New client
Kemper Insurance	Renewal
Louis L'Amour Western Books	Newclient*
McDonald's	New client
Miller Brewing	Renewal
NAP Consumer Electronics	Renewal
National Autofinders	New client
National Enquirer	New client
Old Milwaukee	New client
Omni Magazine	New client
Paramount	New client
Pentax	New client
Pivotlite	Newclient*
RCA Records	New client
Sony	Renewal
Universal Pictures	Renewal
Video Connection	Newclient*
Walking Stereo	Newclient*
Wilson Sporting Goods	New client
WTBS	
Carter Wallace	Renewal
Ford	Renewal
General Mills	Renewal
ITT/Continental Banking	Renewal
Johnson & Johnson	Renewal
Kraft	Renewal
M&M Mars	Renewal
Mobile Oil	Renewal
National Enquirer	Renewal
Paramount Pictures	New client
Warner Lambert	Renewal
The Weather Channel	
American Express	New client
Eastman Kodak	New client
Hyatt Hotels	New client
Quaker Oats	New client

* New to network advertising.

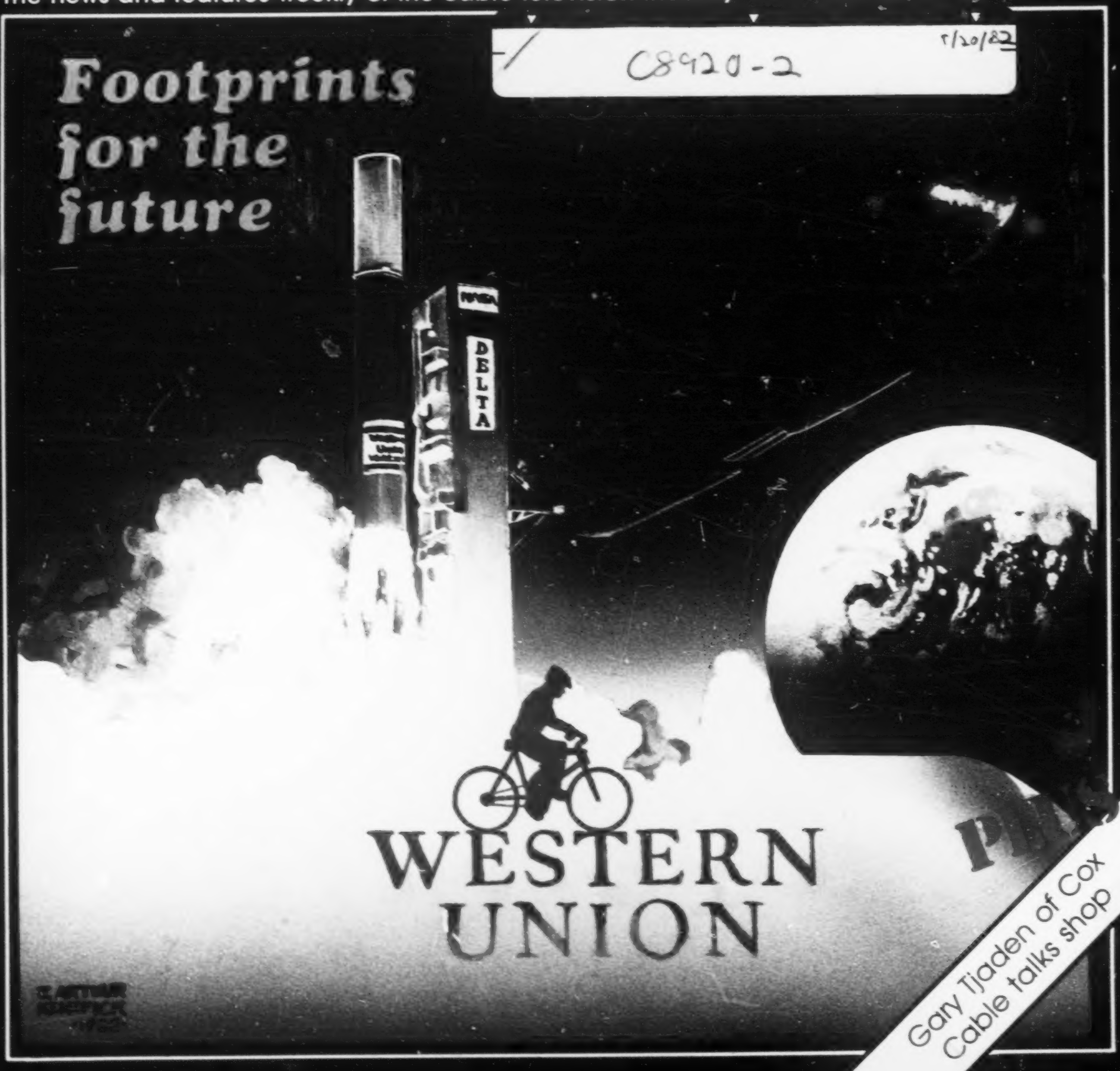
- Chet Simmons leaves ESPN for the gridiron
- Viacom strengthens holdings with Milwaukee win
- Arizona slaps antitrust suit on industry leaders
- Rep. Swift introduces AT&T restriction effort

CableVision™

The news and features weekly of the cable television industry June 28, 1982 $3.00

C8920-2 5/20/82

Footprints for the future



Gary Tjaden of Cox Cable talks shop

CableVision

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Rep. Al Swift

Swift response

Rep. Al Swift (D-Wash.) has drafted an amendment to H.R. 5158 that will restrict AT&T's entry into the cable television field. It will be introduced as the House Energy and Commerce Committee reviews the bill. **Leading the week, pages 16-20.**

Programming conspiracy?

Arizona's attorney general has filed suit accusing HBO, Showtime, USA, ESPN, WASEC, ACT, Cox and Storer of conspiring to deny SMATV operators use of programming. **Leading the week, pages 16-20.**

Viacom wins Milwaukee

Viacom has won the nod to negotiate for the franchise in Milwaukee. The victory further stengthens the company's holdings in Wisconsin. **Leading the week, pages 16-20.**

Simmons USFL bound

ESPN is losing Chet Simmons to the United States Football League as commissioner of the new venture. However, Simmons' last hurrah was to grab cable coverage rights from the new sports association. **Leading the week, pages 16-20.**

Daytime expansion

James Perkins has outlined expansion plans for the basic cable service he heads, but also predicted the industry is heading for tough times. **Page 26.**

Bottom line worries

The overriding theme at last week's "The Lawyer and the New Video Marketplace" gathering was "forget technology and worry more about the bottom line." **Page 26.**

Fast-food famine

There's a hunger in cable networkland for a piece of the action from the lucrative advertising contracts of fast-food restaurants. **Page 36.**

Baby Bell born

AT&T formally has christened its new subsidiary "American Bell." Publically it is being called "Baby Bell" and represents the firm's move into the unregulated realm of business. **Page 61.**

Minneapolis solution

The Minnesota Cable Communications Board, ignoring the position of its staff, last week approved a franchise for a Storer subsidiary in this city. **Page 71.**

VCRs—debatable issue

Charles Ferris and Jack Valenti used a public forum to express their views about the videotaping issue. **Page 75.**

A new monopoly?

William Baxter, a federal attorney, warned members of the cable industry that they may be heading toward a fate similar to that of AT&T. **Page 79.**

About the cover

J. Arthur Kenefick, Titsch Communications Inc. illustrator, provided the interpretation of Western Union's growth in the communications field.

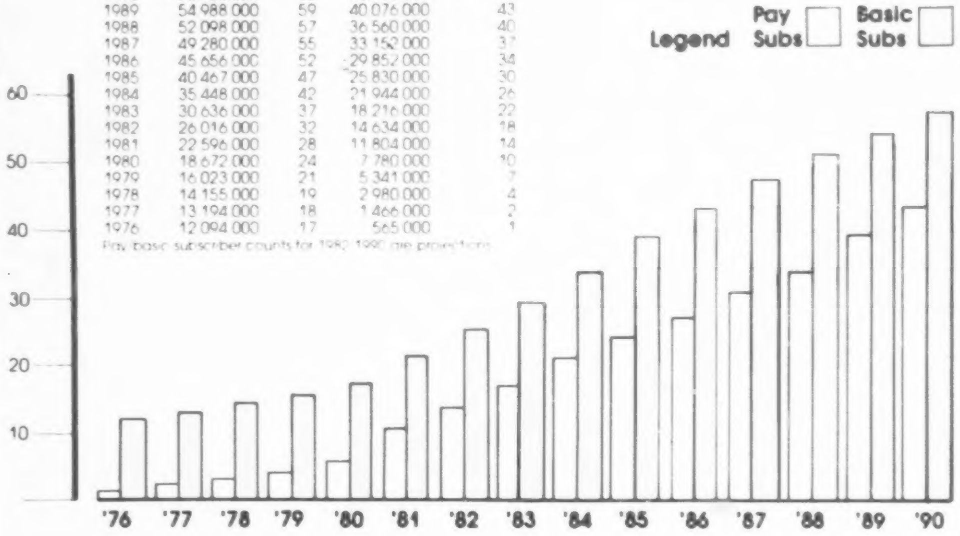
This week in *CableVision Plus*

A cable engineer with a computer industry background, Cox Cable's Gary Tjaden is uniquely suited to take on the challenge of making interactive television a reality. He talks about the status of INDAX and the new breed of cable engineers. The recent launch of Western Union's fifth communications satellite June 8 prompted senior editor Jeri Baker to take a look at how a 131-year-old company goes about updating its attitude. Back on earth, we checked in with the experts to find out what cable companies need to do in order to prevail when franchise renewal time rolls around. Pages 37-60.

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections.



Cable barometer

Television households (TVHH)	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable	29.75%
Percent of HP with basic cable	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable	16.22%
Percent of HP with pay cable	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Top 30 MSO overview

Rank	Multiple System Operator	Basic Subs	Homes Passed	% Basic/ Homes Passed	% Basic/ Total Basic[1]	% Homes/ Total Homes[2]
1.	Tele-Communications Inc.	1,900,000	—	—	7.8	—
2.	American Television and Comm.	1,900,000	3,638,300	52.2	7.8	8.2
3.	Group W Cable	1,710,425	—	—	7.1	—
4.	Cox Cable Communications	1,131,981	1,919,245	58.9	4.7	4.3
5.	Storer Cable Communications	972,224	1,800,000	54.0	4.0	4.1
6.	Warner Amex Cable Communications	907,266	1,686,297	53.8	3.7	3.8
7.	Times Mirror	691,225	1,178,731	58.6	2.85	2.7
8.	Newhouse Broadcasting	618,723	1,003,000	61.7	2.58	2.3
9.	Regers-UA Cablesystems	589,385	1,118,108	52.7	2.4	2.5
10.	Viacom Cablevision	543,098	1,088,035	49.9	2.2	2.5
11.	Continental Cablevision	505,000	1,000,000	50.5	2.08	2.25
12.	United Cable Television	475,268	873,743	54.4	2.0	2.0
13.	Sammons Communications	456,593	657,864	69.4	1.9	1.5
14.	TeleCable Corp.	309,900	516,000	60.1	1.3	1.2
15.	Capital Cities Cable	303,062	443,310	68.4	1.3	1.0
16.	General Electric Cablevision	298,000	493,000	60.4	1.2	1.1
17.	Heritage Communications	248,231	505,052	49.2	1.0	1.1
18.	Comcast Corp.	239,284	464,572	51.5	0.99	1.0
19.	Daniels & Associates Inc.	229,415	451,600	50.8	0.95	1.0
20.	Liberty Communications	226,000	450,000	50.2	0.93	1.0
21.	Cablevision Systems Development	225,107	552,660	51.1	0.93	1.25
22.	Wometco Communications	205,544	374,822	54.8	0.85	0.85
23.	Tele-Media Corp.	200,800	—	—	0.83	—
24.	Service Electric Cable TV	189,500	—	—	0.78	—
25.	TCA Group	181,718	275,000	66.1	0.75	0.62
26.	Maclean Hunter	170,642	372,152	45.9	0.70	0.84
27.	Century Communications	169,500	285,000	59.5	0.70	0.64
28.	Multimedia Cablevision	160,734	321,292	50.0	0.66	0.73
29.	Colony Communications	148,909	268,963	55.4	0.61	0.61
30.	Western Communications	148,500	—	—	0.61	—

[1] Total Basic—24,242,000.

[2] Total Homes—44,252,000.

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs
1	Tele-Communications Inc	1,900,000
2	American Television and Communications	1,900,000
3	Group W Cable	1,710,425
4	Cox Cable Communications	1,131,981
5	Storer Cable Communications	972,224(5/1)
6	Warner Amex Cable Communications	907,266
7	Times Mirror	691,225
8	Newhouse Broadcasting[1]	618,723
9	Rogers-UA Cablesystems	589,385
10	Viacom Cablevision[2]	543,098
11	Continental Cablevision	505,000(5/31)
12	United Cable Television Corp	475,268
13	Sammons Communications	456,593
14	TeleCable Corp	309,900
15	Capital Cities Cable	303,062(6/4)
16	General Electric Cablevision	298,000(5/31)
17	Heritage Communications	248,231
18	Comcast Corp	239,284
19	Daniels & Associates	229,415(5/31)
20	Liberty Communications	226,000
21	Cablevision Systems Development	225,107
22	Wometco Communications	205,544(5/12)
23	Tele-Media Corp	200,800
24	Service Electric Cable TV	189,500
25	TCA Group	181,718
26	Maclean Hunter	170,642
27	Century Communications	169,500
28	Multimedia Cablevision	160,734
29	Colony Communications	148,909(5/31)
30	Western Communications	148,500(6/1)
31	Jones Intercable Inc	141,440
32	Prime Cable	128,403
33	Centel Cable Television	124,593(5/21)
34	Harris Cable Corp	116,500
35	Midwest Video	114,615
36	Communications Service Inc	110,000
37	Rollins Cable Vue	109,700 (5/31)
38	Tribune Company Cable	108,375
39	McCaw Communications[3]	101,855
40	Cable Vision Industries	93,102(5/31)
41	Harron Communications	89,093
42	Buckeye Cablevision	88,454
43	Sutton Capital Group[4]	87,500(2/28)
44	Armstrong Utilities[5]	85,948
45	Communications Systems Inc	83,628
46	Cablentertainment	78,501
47	Omni Cable TV	78,099
48	Adams-Russell	77,000(5/31)
49	Multi-Channel TV Cable Co	75,332
50	Palmer Communications	75,229
51	McDonald Group	76,928
52	King Videocable Co	72,759(5/31)
53	Aida Group	70,799(5/21)
54	Perry Cable TV Corp	67,567
55	Buford Television	64,394(12/81)
56	Summit Communications	64,019(5/31)
57	Omega Communications	60,000
58	WEHCO Video	59,794
59	Televents	58,060
60	Booth Communications	55,614
61	Coaxial Communications	55,288
62	American Cablesystems Corp	55,000
63	Cable America	55,000
64	National Telecommunications Co	54,950
65	Pencor Services Inc	54,046(2/28)
66	Gulf Coast Cable Television Ltd	53,436
67	The Essex Group	53,156
68	US Cable Corp	51,418
69	Consolidated Cable Systems	50,600(1/82)
70	Ultracom Inc	48,139(1/82)
71	Acton Corp	47,682
72	Total TV Inc	44,527
73	Cable TV of Puget Sound	44,042(4/3)
74	Sonic Cable TV	43,642(7/81)
75	Adelphia	43,551
76	Clear TV Cable Corp	43,400
77	Falcon Communications	43,000
78	Greater Media	40,775
79	Lenfest Group	40,250
80	Susquehanna Broadcasting	40,182
81	The Daily Press	40,000
82	NorCal Cablevision (McClatchy-Viacom)	39,932
83	National CableSystems Inc[6]	34,382(4/1)
84	Joseph S. Gans	33,300
85	Oak Communications	33,250
86	Columbia Communications	31,645(4/1)
87	Selkirk Communications	30,789(4/1)
88	Commonwealth Cable of Massachusetts	28,313(3/20)
89	Hellicon Corp	28,000
90	Lawrence Flinn Jr	26,952
91	American Cable Television Inc (Phoenix, Ariz.)	26,585
92	Midcontinent Cable Systems	26,000
93	Gerity Cablevision	25,730
94	Martix Enterprises	25,251
95	Mid America Media	24,700
96	Cable Holdings Inc	24,482(1/82)
97	Potomac Valley TV Co	24,247
98	Mickelson Media	23,307
99	Teltron Inc	23,147(4/1)
100	FNI Communications	23,307

[1] Includes MetroVision, NewChannels, Vision Cable

[2] Includes 40% ownership in Nor-Cal Cable

[3] Includes acquisition of Southern Oregon Cable which was final as of 4/30

[4] Includes systems owned and with controlling interest

[5] Includes Armstrong Comm. Corp., Nat'l. Cable TV Corp., N. Lauderdale Cable

[6] Includes systems owned and/or managed

Top 100 systems

Rank	Location	Operator	Basic Subs
1	San Diego, Calif	Cox Cable	213,760
2	Manhattan, N.Y	ATC	156,250
3	Oyster Bay (Long Island), N.Y	Cablevision Systems	149,552
4	West Orange, N.J	MacLean Hunter	135,383
5	Los Angeles, Calif	Group W Cable	104,750
6	Wayne, N.J	Rogers-UA Cable	104,286
7	San Antonio, Texas	Rogers-UA Cable	102,856
8	Tulsa, Okla	United Cable	99,220
9	Erie County, N.Y	Prime Cable	92,965
10	San Jose, Calif	Gill Industries	90,283
11	Audubon, N.J	NYT Cable	89,600
12	Tidewater, Va	Cox Cable	85,297
13	Austin, Texas	ATC	83,500
14	Central Islip, N.Y	Viacom	81,277
15	Orlando, Fla	ATC	79,100
16	Jefferson Parish/Kenner, La	Cox Cable	73,780
17	Grand Rapids, Mich	General Electric	71,100(5/31)
18	Toledo, Ohio	Buckeye Cablevision	70,447
19	Manhattan, N.Y	Group W Cable	70,210
20	Hartford/Meriden, Conn	Times Mirror	69,761
21	Seattle, Wash	Group W Cable	68,665
22	Wilmington, Del	Rollins Cable	68,000
23	Honolulu, Hawaii	ATC	67,550
24	San Diego, Calif	ATC	63,100
25	San Francisco, Calif	Viacom	62,137
26	Baton Rouge, La	Daniels	60,983(5/21)
27	Flint, Mich	Comcast	59,381(6/2)
28	Memphis, Tenn	ATC	58,250
29	Wichita, Kan	Multimedia Cable	57,446
30	Monterey, Calif	Western	57,300
31	Buffalo, N.Y	Minneapolis Star	57,239
32	Jacksonville, Fla	ATC	57,200
33	Santa Barbara, Calif	Cox Cable	56,980
34	Columbus, Ohio	Warner Amex	56,000
35	Henrico County/Richmond, Va	Continental	56,000(5/15)
36	Allentown, Pa	Twin County	55,000
37	Melbourne, Fla	ATC	54,750
38	Baltimore County, Md	Caltec Cable	53,687
39	Greater San Juan, Puerto Rico	Harris Cable	53,333
40	Suburban Rochester, N.Y	People's Cable	53,115
41	Harrisburg, Pa	Sammons	52,066
42	Snohomish County, Wash	Viacom	51,444
43	Binghamton, N.Y	NewChannels	51,137
44	Louisville, Ky	Times Mirror	50,138
45	Seattle, Wash	Viacom	49,647
46	El Paso, Texas	Group W Cable	49,370
47	Boston Complex, Mass	Warner Amex	49,200
48	Columbus, Ohio	Coaxial Comm	48,288
49	Canton, Ohio	Warner Amex	47,200
50	Reading, Pa	ATC	46,550
51	Sarasota, Fla	Storer Cable	46,279
52	Peoria, Ill	General Electric	46,000(5/21)
53	Des Moines, Iowa	Heritage	45,871
54	San Rafael/Marin, Calif	Viacom	45,854
55	Shreveport, La	ATC	45,550
56	San Diego County, Calif	Times Mirror	45,409
57	Pompano Beach, Fla	American Cable TV	45,340
58	Akron, Ohio	Warner Amex	44,400
59	West Haven, Conn.	Storer	44,211
60	South Bend, Ind	Buford	43,800(5/21)
61	Eugene, Ore	Group W Cable	43,750
62	NW Houston, Texas	Warner Amex	43,700
63	Spokane, Wash	Cox Cable	43,330
64	Charlotte, N.C	ATC	43,250
65	Albany, N.Y	ATC	43,050
66	New Britain, Conn.	United	41,986
67	Birmingham, Ala	ATC	41,100
68	Moline/Quint Cities, Ill	Cox Cable	40,996
69	Bridgeport, Conn.	Aida Group	40,534(5/21)
70	Scranton, Pa	Verto Cable TV	40,532
71	Concord, Calif	Western	40,500
72	Dade/Broward Counties, Fla	Storer	40,107
73	Lincoln, Neb	MetroVision	40,000
74	Bakersfield/Kern Co., Calif	Warner Amex	40,000
75	Branford, Conn	Rollins Cable	39,900(5/3)
76	Charleston, S.C	Storer	39,753
77	Brookhaven, N.Y	Rogers-UA Cable	39,651
78	Port Arthur, Texas	Liberty	39,314
79	Jackson, Miss	ATC	39,200
80	Lansing, Mich	Continental	39,000
81	Rockford/Loves Park, Ill	General Media	39,000
82	Overland Park, Kan	TeleCable Corp	38,600
83	Naples/Marco, Fla	Palmer Commun	38,189
84	Cleveland, Ohio	Viacom	37,903
85	Winston-Salem, N.C	Summit Commun	37,819
86	Springfield, Ill	Times Mirror	37,303
87	Deerfield, N.Y	Harron Commun	37,047
88	Palm Desert, Calif	Palmer Commun	37,040
89	Fayetteville, N.C	ATC	37,000
90	West Palm Beach, Fla	Group W Cable	36,975
91	Stuart, Fla	Perry	36,758
92	St. Petersburg, Fla	Group W Cable	36,325
93	Beacon, N.Y	Colony Commun	36,112(5/31)
94	Honolulu, Hawaii	TV Systems Inc	36,000
95	Cleveland, Ohio	Cox Cable	35,756
96	Dover, N.J	Sammons	35,334
97	Madison, Wis	Complete Channel TV	34,500
98	Waterbury, Conn	Sammons	34,266
99	Pensacola, Fla	Cox Cable	34,265
100	Cincinnati Suburbs, Ohio	Warner Amex	34,200

Note: Subscriber counts for MSOs and systems are as of 4/28 unless noted otherwise

Satellite News Chan

- Satellite News Channel has easy 'birth'
- Unanimous FCC nod lets 'the birds fly'
- Cable stock drops raise eyebrows of experts
- Milwaukee franchise tests practice, patience

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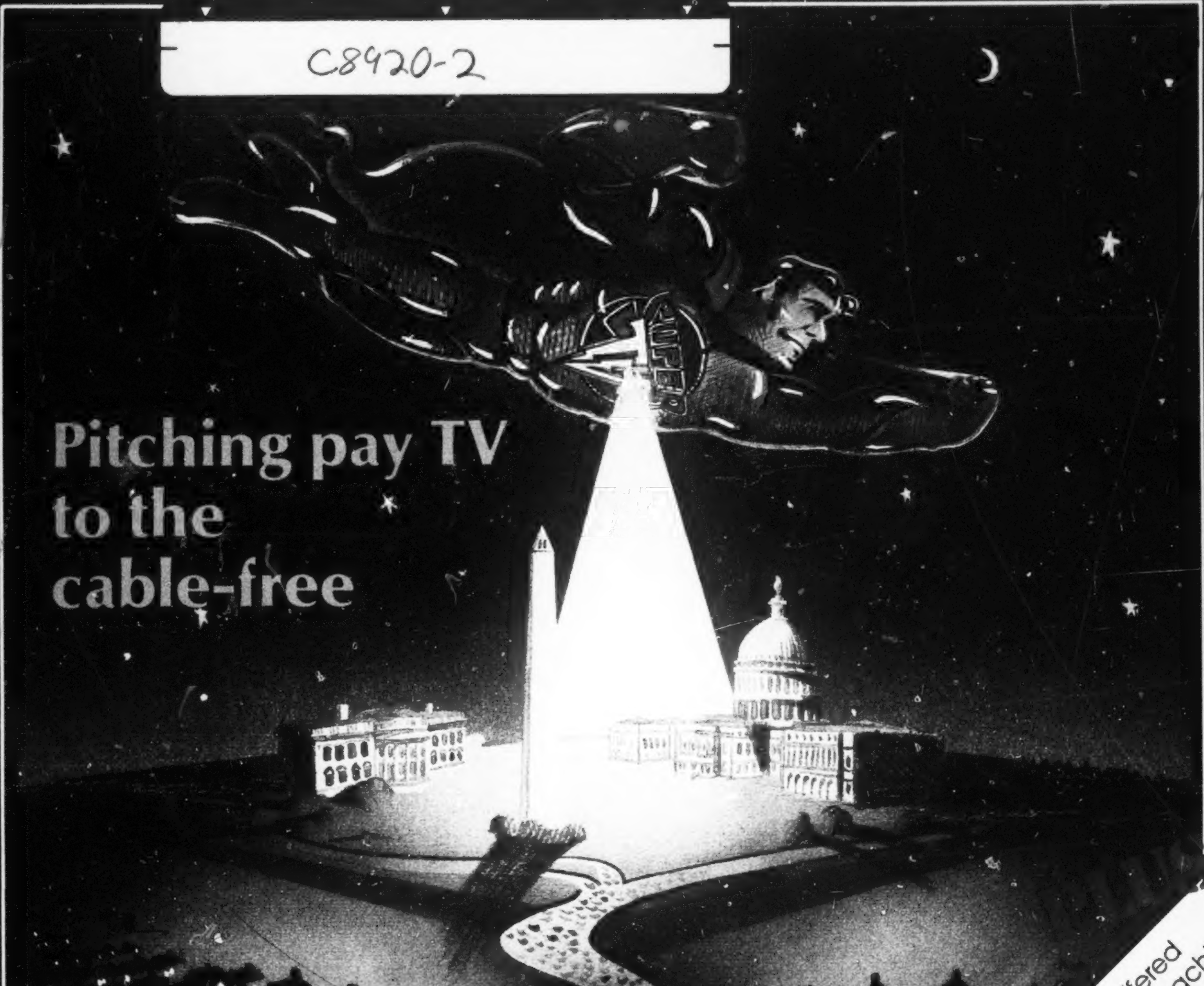

Pitching pay TV to the cable-free

Inside look offered on Oak's success machine

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SNC goes live

Satellite News Channel debuted June 21. Its first story was about Princess Diana going into labor and made an interesting analogy for President Bill Scott as the new cable baby was delivered smoothly. **Leading the week, pages 14-17.**

DBS authorized

FCC Chairman Mark Fowler said "let the birds fly" as the commission unanimously approved the adoption of regulations authorizing the operation of direct broadcast satellites. **Leading the week, pages 14-17.**

Legislative snags

Opponents of H.R. 5158 have managed to slow the progress of the bill during the House Energy and Commerce Committee mark-up sessions. It appears to be anyone's guess as to when and in what form the bill will emerge. **Leading the week, pages 14-17.**

CBS/Fox in starting blocks

CBS Inc. and 20th Century-Fox Film Corp. have announced that the long-awaited joint venture will become operational within 30 days. Cable service provisions are still being negotiated. Also, Fox Telecommunications President Stephen Roberts will assume duties as president and CEO of the new venture on an "interim" basis. **Leading the week, pages 14-17.**

Connection in Newark

New Jersey's largest city is unwired no longer as Connection Communications began operations of its 52-channel, 120,000-home cable system. Ten percent of the system has been passed with some 100 homes on line for the premiere. **Page 20.**

Plotting HBO course

Bridget Potter is Home Box Office's new vice president of original programming. She fully expects her past in television entertainment to play a major role in what HBO viewers see in the future. **Page 20.**

Marketing news

Satellite News Channel launched with 12 charter national advertisers. That list included four American automakers. SNC's sales approach is different from television norms and the technique is creating some controversy. **Page 24.**

Cable stocks dip

Some Wall Street cable watchers and industry executives attribute a downturn in industry stocks—particularly among hardware suppliers—to not only poor economic conditions, but also to persistent bugs in addressable converter technology. **Page 49.**

IBM's protocol

Videotex market plans announced recently by the huge computer firm is little or no threat, at least for now, to the consumer market or cable industry. That is the opinion of industry insiders. **Page 49.**

Who's winning Milwaukee?

Charges and countercharges are flying fast and furious on the heels of a quite unexpected franchise vote in this city. The issue is as unsettled as it is settled with the mayor expected to have the last word. Then again, the council can veto that word. **Page 55.**

Opinion by expertise

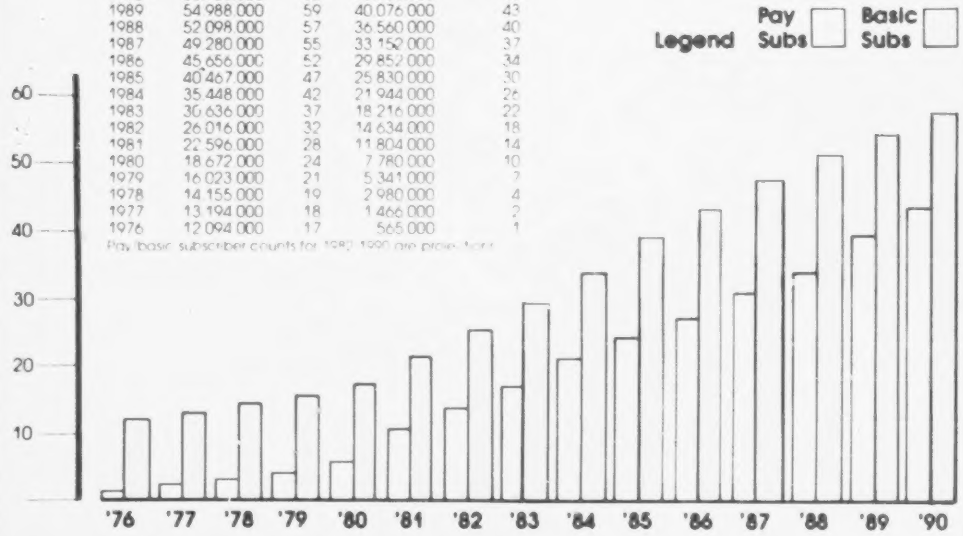
Rep. Al Swift is emerging as a stalwart for telecommunications policy. A great deal of Swift's knowledge and interest in the area come from the days he spent in broadcasting and radio. **Page 59.**

The Week in *CableVision Plus*

While cable slowly snakes its way around the nation's capital, a gung-ho band of pay TV marketeers, with pockets full of money and ideas, is scooping up movie-and sports-hungry viewers via STV and MDS. Selling a new channel in a largely non-cabled market, is a relatively easy job, however, compared to the task ahead of Oak Communications. From Rancho Bernardo, Calif., in an interview with *CableVision*, Oak Communications President Werner Koester elaborates on the not-so-simple task of selling the cable industry on addressability. As for the emerging problem of how the cable operator can avoid getting lost in the channel line-up, the computer may have an answer.

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Film product comparison—July

Film	Networks					Distributor
A Challenge for Robin Hood				(HTN)	C*	Warner Bros
A Change of Seasons					C*	Filmways
A Clockwork Orange					C	Warner Bros
A Face in the Crowd					C*	Castle Hill
A Fistful of Dynamite			(TMC)		C*	MGM/UA
Agatha				(HTN)	C	Warner Bros
Airplane			TMC*	(HTN)		Paramount
All The Fine Young Cannibals		ST*				MGM/UA
Amarcord			TMC			New World
The Amazing Adventures of Joe 90		ST*			(C)	ITC
The Apple Dumpling Gang Rides Again	(HBO)	ST	(TMC)	(HTN)		Disney/Buena Vista
The Asphalt Jungle		(ST)		HTN	(C)	MGM/UA
Barry Lyndon				HTN	C	Warner Bros
Battleground		ST*			(C)	MGM/UA
Bells are Ringing				HTN	(C)	MGM/UA
Big Wednesday					C*	Warner Bros
The Bitch		ST				Brent Walker
Blood Beach			TMC			Jerry Gross
Blow-Up		(ST)			C	MGM/UA
Boulevard Nights					C	Warner Bros
Boys' Night Out		ST		HTN		MGM/UA
Burn					C	New World
The Case of the Mukkinese Battle Horn					C*	Janus
Cheaper to Keep Her					C	Paramount
The Children			(TMC)		C	World Northal
Choices			TMC			Serendipity
Chu Chu and the Philly Flash	(HBO)	ST*	TMC*	(HTN)		20th Century-Fox
Crossbar	HBO					RMS
Cutter's Way		(ST)	(TMC)		C*	MGM/UA
Darby O'Gill and the Little People	(HBO)		TMC*	HTN		Disney/Buena Vista
Doctor Zhivago		ST				MGM/UA
The Dogs of War	(HBO)	ST*	(TMC)			MGM/UA
Don't Answer the Phone			TMC			Crown International
The Dot and the Kangaroo				HTN*		Satori
Echoes of a Summer					C	MGM/UA
Fairy Tales		ST				Samuel Goldwyn Co
Fall Line		ST				Embassy
Falling in Love Again			TMC			International Pictures
Fame	HBO	ST	(TMC)		(C)	MGM/UA
Far from the Madding Crowd	HBO*	(ST)		HTN		MGM/UA
Final Cut			TMC*			Satori
Firecracker		ST*				New World
For Your Eyes Only	HBO	ST	TMC	HTN		MGM/UA
Fort Apache, The Bronx	(HBO)				C	HBO
Foul Play			TMC			Paramount
Foxes			(TMC)		C	MGM/UA
Firday the 13th	(HBO)		TMC			Paramount
The Fun House	(HBO)	ST	(TMC)			Universal
Galaxy of Terror	HBO					New World
Gas	HBO		TMC			Paramount
Genesis in Concert					C	Miramax
Get Out Your Hankerchiefs					C	Filmways
Gigi	(HBO)	(ST)		HTN		MGM/UA
Give Me Liberty	HBO					Kandel Enterprises
Gloria	HBO		TMC	(HTN)		Columbia
Going Ape	HBO*		TMC*			Paramount
The Gong Show Movie		ST	TMC			Universal
Graduation Day		ST*			(C)	Wescom
The Great Muppet Caper	HBO*					AFD
The Gumball Rally					C	Warner Bros
The Hand		ST	(TMC)			Warner Bros
The Hanging Tree				HTN		Warner Bros
The Happy Hooker		ST			C	Swank
Hardly Working	HBO				(C)	Hardly Working Co
Hawmps	HBO			HTN		Viacom
Heaven Can Wait		TMC				Paramount
Heavens Above					C	Viacom
The Hideaways		ST				Telepictures
The High and the Mighty					C	Batjac
The High Country			(TMC)		C*	Crown International
High Risk	HBO*	ST				Viacom
History of the World, Part One	HBO	ST	TMC			20th Century-Fox
Home from the Hill		(ST)			C*	MGM/UA
Hondo					C	Batjac
How I Won the War			TMC			MGM/UA
Huckleberry Finn		ST				New Hope
The Hunter			TMC	(HTN)		Paramount
The Hustler of Muscle Beach					C	HBO
1941	(HBO)		(TMC)	HTN*		Universal
In God We Trust	HBO	ST				Universal
The Incredible 20th Century				HTN		20th Century-Fox
Inside Moves			TMC		C	AFD

Cable stats

Film	Networks					Distributor
It's My Turn			TMC			Columbia
Jack and the Beanstalk				HTN		Columbia
Janis					C	Universal
The Jazz Singer	(HBO)				C*	EMI
Kill and Kill Again	(HBO)		TMC			Film Ventures
Kramer vs Kramer	HBO	ST*	TMC	HTN*		Columbia
La Cage Aux Folles II		ST*	(TMC)		(C)	MGM/UA
The Last Days of Man on Earth			TMC*			New World
The Last Metro	HBO*		(TMC)	HTN		MGM/UA
The Last Time I Saw Paris		ST				MGM/UA
The Late Show				HTN	(C)	Warner Bros
Le Sex Shop		ST				Castle Hill
The Learning Tree				HTN	(C)	Warner Bros
Leave Yesterday Behind					C	HBO
Lies My Father Told Me				HTN		Columbia
Lipstick		ST				Paramount
Mad Wednesday					C	Universal
Magnificent Hustle				HTN*	(C)	Worldvision
Man of La Mancha			(TMC)	HTN		MGM/UA
The Man with Bogart's Face				HTN*	(C)	Viacom
The Marvelous Land of Oz				HTN*		Universal
Massacre at Central High		(ST)	TMC		(C)	Viacom
McLintock					C	Batjac
McVicar			TMC			Crown International
Mogambo		(ST)		HTN		MGM/UA
Monty Python and the Holy Grail			(TMC)		C*	Cinema 5
Morgan					C*	Viacom
The Music Lovers			TMC			MGM/UA
The Music Man					C*	Warner Bros
My Bloody Valentine	HBO		(TMC)			Paramount
My Champion	HBO*					Filmways
Mystery Island			TMC			Satori
Mysterious Stranger			TMC			Viacom
Nashville Girl		ST*				New World
The Night the Lights Went Out in Georgia	HBO					Viacom
Norman Is That You?		ST				MGM/UA
North Avenue Irregulars	HBO		(TMC)	(HTN)		Disney/Buena Vista
The Odd Angry Shot				TMC		Atlantic
Oh, God! Book II			(TMC)	HTN*	(C)	Warner Bros
Oh Heavenly Dog					C	Mulberry Square
Oliver Twist		ST		(HTN)		Warner Bros
On the Right Track	HBO*	ST*	(TMC)	(HTN)		20th Century-Fox
Only When I Laugh	HBO					Columbia
Ordinary People		(ST)	TMC			Paramount
Outlaw Blues		ST		(HTN)	(C)	Warner Bros
Paradise Alley			TMC		C*	Universal
Prime Time			TMC			Swank
Pulp					C*	MGM/UA
Quadrophenia					C*	World Northal
Quo Vadis		ST				MGM/UA
Raggedy Man	HBO		TMC	HTN		Universal
Raging Bull	HBO*	ST*	TMC			MGM/UA
Return of the Secaucus Seven		ST*	(TMC)		(C)	Libra
Rock and Roll High School					C	New World
Rock for Kampuchea					C*	Miramax
Royal Wedding		ST		HTN		MGM/UA
Rude Boy			TMC			Atlantic
The Rules of the Game					C	Janus
Runaway Island	HBO*					Reg Grundy
Running Scared	HBO					Running Scared Co
S O B	HBO	ST	TMC			Lorimar
Saturday the 14th	HBO*					New World
Search and Destroy	HBO					Viacom
Seems Like Old Times	HBO		(TMC)	(HTN)		Columbia
The Sensuous Nurse					C*	Castle Hill
Separate Ways					C*	Crown International
Serial		ST	(TMC)			Paramount
Shogun Assassin					C	New World
The Shogun Warriors Gai King		ST*				Blum Group
The Silent Partner	HBO					HBO
Silver Streak	(HBO)	ST*				20th Century-Fox
The Spy with My Face		ST				MGM/UA
SST: Disaster in the Sky	HBO					HBO
Stardust Memories			TMC			MGM/UA
Star Trek The Motion Picture	HBO	ST*	(TMC)			Paramount
Strange Behavior		ST				World Northal
Stripes	(HBO)	(ST)	(TMC)	HTN		Columbia
The Stud		ST			(C)	TeleMine
Survival Run			TMC			Film Ventures
The Survivor	HBO					Hemdale
Tess	HBO		(TMC)	(HTN)	(C)	Columbia
Toby and the Koala Bear		(ST)	(TMC)		C	Satori
Tom Sawyer					C	MGM/UA
Tuck Everlasting			(TMC)	HTN*	(C)	Coe Films
Two Way Stretch					C	Alan Enterprises
Union City					C	Kinesis Limited
The Wanderers					C*	Warner Bros
Where the Boys Are		ST				MGM/UA
Where the Spies Are		ST				MGM/UA
Wifemistress			TMC			Columbia
Willy Wonka and the Chocolate Factory				HTN		Warner Bros
Wolfen	HBO	ST	TMC			Warner Bros
The Wrong Arm of the Law					C*	Janus
Zorro, the Gay Blade	HBO*	ST*	(TMC)	(HTN)		20th Century-Fox

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in February, March, April, May and/or June

■ An asterisk following a network indicates the film is a carry-over from February, March, April, May and/or June

■ In total, 176 films appear on the July schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (February-July 1982), nine films have appeared on four of the five services, 15 on three and 45 on two networks. One hundred and seven films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 34, followed by Warner Brothers with 18 and Paramount with 13.

■ James Bond's latest spy escapade, "For Your Eyes Only," hits the July program guide covers of HBO, Showtime, Cinemax and The Movie Channel. Roger Moore (as Bond) shares the Cinemax cover with "S O B.," John Wayne (in a collection of films) and "Only When I Laugh." Moore and "S O B." team up again on the Showtime guide, accompanied by "In God We Trust," "The Apple Dumpling Gang Rides Again," "History of the World, Part I" and more. Over at HTN Plus, the cover highlights Sissy Spacek in "Raggedy Man."

Top 20 MSOs

Rank	Multiple System Operator	Subscribers
1	Tele-Communications Inc	1,900,000 (4/82)
2	American Television and Communications	1,900,000
3	Group W Cable	1,710,425 (4/82)
4	Cox Cable Communications	1,164,400
5	Storer Cable Communications	1,115,000
6	Warner Amex Cable Communications	943,500
7	Times Mirror	691,225 (4/30)
8	Newhouse Broadcasting[1]	628,802 (6/1)
9	Rogers-UA Cablesystems	610,874
10	Viacom Cablevision[2]	561,206
11	Continental Cablevision	505,000
12	United Cable Television Corp	485,203 (4/31)
13	Sammons Communications	484,631
14	TeleCable Corp	320,000
15	Capital Cities Cable	303,062 (6/4)
16	General Electric Cable Corp	298,000
17	Heritage Communications	252,476
18	Comcast Corp	239,284 (6/2)
19	Cablevision Systems Development	236,000
20	Daniels & Associates	229,415

[1] Includes Metrovision, NewChannels, Vision Cable
[2] Includes 40% ownership in Nor-Cal Cable

Top 20 systems

Rank	Location	Operator	Subscribers	
1	San Diego, Calif	Cox Cable	218,902	
2	Manhattan, N.Y	ATC	156,675	(3/31)
3	Oyster Bay (Long Island), N.Y	Cablevision Systems	156,000	
4	West Orange, N.J	Maclean Hunter	137,574	
5	San Antonio, Texas	Rogers-UA Cablesystems	111,621	
6	Wayne, N.J	Rogers-UA Cablesystems	106,051	
7	Los Angeles, Calif	Group W Cable	104,750	(12/81)
8	Tulsa, Okla	United Cable	100,938	(4/31)
9	Audubon, N.J	NYT Cable	93,933	(6/12)
10	Erie County, N.Y	Prime Cable	93,683	
11	San Jose, Calif	Gill Industries	90,283	(2/82)
12	Tidewater, Va	Cox Cable	87,800	
13	Austin, Texas	ATC	83,500	(3/31)
14	Central Islip, N.Y	Viacom	82,447	
15	Orlando, Fla	ATC	79,100	(3/31)
16	Jefferson Parish/Kenner, La	Cox Cable	75,164	
17	Manhattan, N.Y	Group W Cable	69,755	(4/30)
18	Grand Rapids, Mich	General Electric	71,100	
18	Toledo, Ohio	Buckeye Cablevision	70,447	
20	Hartford/Meriden, Conn	Times Mirror	69,755	(4/30)

Note: MSO and system subscriber counts are as of 5/31/82 unless noted otherwise

- Cable Health Network limbers up for debut
- Financial experts feel cable is holding its own
- Supreme Court rules in favor of N.Y. landlord
- Videotex confab reveals problems, opportunities

CableVision

The news and features weekly of the cable television industry July 12, 1982 $3.00

C8920-2

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J. ARTHUR KENDRICK 1982

Family-style cable

CATA

PLUS

Hedging against disaster
—the insurance dilemma

CableVision

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Videotex dilemma

A recent videotex conference in New York raised the ugly spectre of standards, regulatory and marketing problems. However, the meeting also proved huge opportunities exist for cable operators. **Leading the week, pages 13-19.**

Landlord victory

On a 6-3 vote, the U.S. Supreme Court has ruled in favor of New York landlord Jean Loretto in her class action suit against Teleprompter (Group W). The decision states that the tenant has no enforceable property rights with respect to cable installation. **Leading the week, pages 13-19.**

Healthy debut

Cable Health Network limbers up for its debut and all systems show green lights. Some four million subscribers have access and an equal number are expected to join soon. **Leading the week, pages 13-19.**

Courtroom Bell

U.S. District Court Judge Harold Greene heard verbal arguments in the historic AT&T settlement. AT&T entry into the information transmission business is a principle issue and proved to be the area producing conflicting remarks. **Leading the week, pages 13-19.**

Public channels

The Public Broadcasting Service recently held its annual convention in Washington, D.C., with kind words for cable as an audience booster for PBS and as being receptive to PBS Cable. **Leading the week, pages 13-19.**

Is the honeymoon over?

Cable stocks, once believed to be recession-proof, haven't rebounded from recent problems as in the past. Experts see new gains coming slowly with growth measured in medium bursts rather than the huge jumps the industry has experienced. However, bankers maintain cable is a good investment and many bankers are lending their weight to the cable pile. **Page 23.**

Family-style cable

The Community Antenna Television Association is gathering in Nashville, Tenn., for its yearly conference— CCOS. The meeting is more like a family reunion in many respects as small cable operators gather to speak in a single voice. **Page 31.**

S-A layoffs

Problems associated with the manufacturing of addressable converters have not only led to a severe drop in stock trading but also to layoffs at Scientific-Atlanta. **Page 63**

Tampa bids

Innovations in rate structures and grants to local programs marked bids of Cox, Storer, Tribune Cable and a joint venture of Knight-Ridder and Tele-Communications Inc. The large market in Tampa is the highly sought-after plum. **Page 77.**

Signal saga

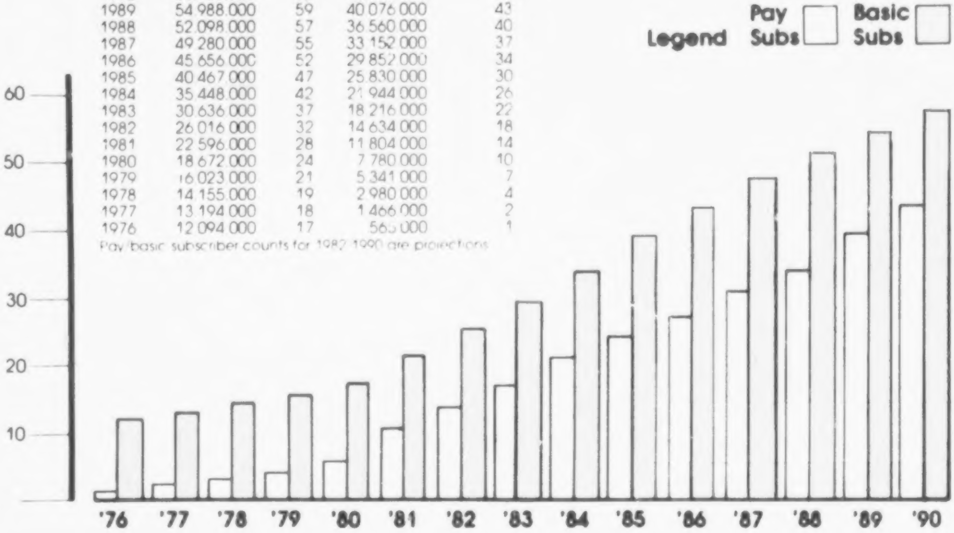
The Joint Sports Claimants went before the Copyright Royalty Tribunal and delivered a not surprising position to the panel. The legal fight still has two more weeks to run. **Page 79.**

This week in *CableVision Plus*

Three knotty problems connected with managing cable systems in the '80s: competition from giant publishing conglomerates; finding an economical way to insure cable plant; and getting subscribers to pay past-due bills are examined. Associate Editor Gary Rothbart points out that publishing giants reportedly have investments representing $3 billion in the business to date and their subscribers number 33 percent of the total nationwide. It's a trend that has peaked, but continues to put the squeeze on the thinner pocketbooks of small independent operators. Insurance is always a troublesome subject. Some are finding it makes more sense today to bypass underwriters altogether. Sorry to report no one has discovered sure-fire method to enforce prompt payment. There is a glimmer of hope, however, in the application of advanced technology. Pages 39-62.

Cable stats

Pay/basic cable growth



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1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
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Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Franchising in the top 50 markets

Rank Market	Status of core city
1. New York	Manhattan-OP; four unwired boroughs-FP.
2. Los Angeles	City is divided into 14 areas (A-N); 11-FG, 3-FP.
3. Chicago	City is divided into five areas; FP
4. Philadelphia	City is divided into N,S,E,W. S-OP; other three FP
5. San Francisco	OP (system to be upgraded).
6. Boston	FG
7. Detroit	BP
8. Washington, D.C.	LNA
9. Cleveland	BP
10. Dallas/Ft. Worth	Two systems-OP
11. Pittsburgh	OP
12. Houston	OP
13. Minneapolis/St. Paul	FP
14. St. Louis	BP
15. Seattle/Tacoma	City is divided into five parts (3 OP/1 FP/1 BP); Tacoma-OP.
16. Atlanta	OP
17. Miami	FG
18. Tampa/St. Petersburg	FP/OP
19. Baltimore	BP
20. Denver	FG
21. Indianapolis	Two systems OP
22. Sacramento/Stockton	FP/OP
23. San Diego	OP
24. Portland	City is divided into three parts (2-OP/1FG).
25. Kansas City	OP
26. Hartford/New Haven	Two systems-OP
27. Cincinnati	OP
28. Milwaukee	FG
29. Buffalo	OP
30. Nashville	OP
31. Phoenix	OP
32. Columbus	Four systems-OP
33. Providence/New Bedford	LNA/OP
34. Memphis	OP
35. Charlotte	OP
36. New Orleans	FG
37. Greenville/Asheville/Spartansburg	Three systems-OP
38. Grand Rapids/Kalamazoo/Battle Creek	Three systems-OP
39. Oklahoma City	OP
40. Orlando/Daytona Beach	Two systems-OP
41. Raleigh/Durham	Two systems-OP
42. Louisville	Two systems-OP
43. Charleston/Huntington	Two systems-OP
44. Birmingham	OP
45. Salt Lake City	OP
46. Harrisburg/York/Lebanon/Lancaster	Four systems-OP
47. Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48. Wilkes Barre/Scranton	Two systems-OP
49. Albany/Schenectady/Troy	Three systems-OP
50. Dayton	OP

Legend

OP—operational.
FG—franchise granted.
FP—franchise pending.
BP—beginning process.
LNA—little or no action.

Franchising calendar

This chart examines the franchise status of communities during the first part of 1982 "Pending" refers to communities which are in the franchising process.

California
Alameda—award to United Cable Television Corp. 4/82 (27,802 homes)
Bellflower—award not expected until December
Boyle Heights—award to Buena Vista Telecommunications 1/82 (23,000 homes)
Davis—looking into a cooperative
Dinuba, Keedly, Sanger, Selma, Kingsburg—award to Teleprompter 1/82
East San Fernando Valley—pending
East Yolo—pending
El Monte—Teleprompter (Group W) selected to negotiate franchise
Garden Grove—award to Rogers Cablesystems 2/82 (40,000 homes)
Gardena—award to Teleprompter 2/82 (17,000 homes)
Grand Terrace—pending
Hacienda Heights, West Whittier, Bassett, Valinda, Whitter Narrows—award to United Cable
Hawaiian Gardens—award to CATV West 1/82
Hawthorne-awarded to Group W
Harbor City, Wilmington, San Pedro—award to Colony/Harbor Cablevision (27,000 homes)
Lakewood—award expected 9/28/82
Lomita—award expected 8/82 (8,136 homes)
Los Alamitos—awarded to California Cable Systems 5/10/82
Los Altos—beginning to study feasibility, report due in September
Los Angeles South Central Region—city franchise commission rejected bids
Palo Alto—city council still discussing possibility of a municipally owned system
Pico Rivera—voters elected in referendum not to grant a franchise to California Cablevision
Sacramento—award expected 9/82 between four applicants
San Buenaventura—beginning to study feasibility
San Fernando—city council selected Valley Cable to negotiate franchise 6/21/82
South Whittier—award expected 8/82 (1,700 homes)
Torrance—award to Teleprompter 2/82 (52,000 homes)
Tulare—award to Scripps-Howard (80%) and Mickelson Media (20%)
Colorado
Arapahoe County—award to United Cable 3/31/82
Cherry Hills—award to United Cable 2/82 (1,600 homes)
Denver—award to Mile Hi Cablevision
Edgewater—award to Telemax 2/28
Greenwood Village—public referendum on July 13 between two applicants
Longmont—award to Longmont Communications Corp (Scripps-Howard Broadcasting) 5/82
Northglen—proposals due 9/16
Platteville—proposals due 7/15/82
Thornton—award to American Television and Communications 1/82 (15,000 homes)
Wheat Ridge—voters approved franchise award to ATC 6/23
Connecticut
Windham, Lebanon, Scotland et al (cable area 13)--applications being submitted to PUC
Vernon Consortium (cable area 12)—award awaits decision by PUC
District of Columbia
District council approved cable bills. RFP to be released spring 1983
Florida
Pinellas County—award to Vision Cable of Pinellas Inc. (10,000 homes)
Plantation—award to Planned Cable Systems 1/82
Tampa—pending
Walden Lake—pending
Illinois
Bensenville—final negotiations with Continental in progress
Brookfield—award to Metrovision 3/82 (6,000 homes)
Chicago—proposals due 8/31/82, city divided into five franchise areas
Countryside, La Grange, La Grange Park, Indian Head Park, Riverside—pending
DuPage County—pending
Flossmoor—award to Centel Cable 2/82 (2,800 homes)
Glen Ellen—award to Teleprompter 3/82
Inverness—award to Centel 2/82 (1,100 homes)
LaGrange, Countryside, LaGrange Park, Indian Head Park, Riverside—Centel rated first.
Lincolnwood--pending
Naperville—applications due 8/2/82
Wentzville—surveying residents' interest in cable
Westmont—proposals due 7/30/82
Indiana
Boone County—award to Quality CATV 3/82
Cedar Lake—award to US Cable 3/82
Elmora—award to Quality CATV
Gaston—award to Quality CATV
Grant County—award to Quality CATV
Hebron—drafted new ordinance, five applicants
Lyons—award to Quality CATV
Munster—U.S. Cable selected to negotiate franchise 6/28 (6,948 homes)
Roachdale—award to Quality CATV
Thorntown--pending
Westfield—award to Noblesville Cablevision 1/82
Zionsville—award to Omega of Zionsville 4/5/82 (4,000 homes)
Iowa
Denver—award to Heritage Communications 1/82
Waverly—award to Heritage Communications 1/82
Kentucky
Hardin—award to US Cable 3/82
Pioneer Village—award to Bullitt County Communications (Matrix) 1/82 (280 homes)
Maine
Caribou—proposals due 7/30/82
Maryland
Baltimore—RFP expected by end of summer
Montgomery County—award expected early August. Montgomery Cable Communications/Times Mirror and Tribune-United ranked as two top applicants by consultant
Massachusetts
Abington—pending
Acton—advisory committee report released soon
Ayer—award expected fall 1982
Bedford—award to Adams-Russell (3,813 homes)
Bellingham, Mendon—award to Southern Massachusetts Cablevision (Alda Group) 1/82 (5,500 homes)
Bourne—three applications being reviewed by Citizens Advisory Committee
Braintree—award expected about 9/82, six applications
Bridgewater—pending
Cohasset—proposals due 9/14/82
Danvers—award to Rollins Cablevision of Massachusetts
Dedham—pending
Foxboro—award to Cablevision Systems 1/82
Holbrook—pending
Holliston—pending
Hopedale—pending
Hull—award expected 12/8/82
Martha's Vineyard—award to Dukes County Cable TV
Medway—pending (2,500 homes)
Merrimac—pending
Milton—award to American Cablesystems 1/82 (8,500 homes)
Nahant—proposals due 9/23/82
Needham—award expected 7/82
Norton—award to Rollins Cablevision 1/82 (3,600 homes)
Norwell—pending
Rockland—pending
Salisbury—award to New England Cablevision 1/82
Scituate—award expected 9/82
Shrewsbury—award to Shrewsbury Electric Light Plant (9,000 homes)
Stonghton—pending
Walpole—proposals due 7/15/82
Waltham—pending
Wellesley—proposals due 5/20/82
Westborough—pending
West Newbury—pending
Westford—award to Nashoba Cable Communications Inc. 1/82
Westwood—award to Adams Russell 1/82
Whitman—pending (3,500 homes)
Michigan
Detroit—mayor has appointed seven-member cable television commission. RFP being prepared
Farmington, Farmington Hills—award to MetroVision 1/82 (36,000 homes)
Marquette—pending
Oakland County—award to Tribune Company/United Cable 3/25/82 (104,000 homes)
Romeo- pending
Southern Oakland County (Birmingham, Beverly Hills, Bingham Farms, Franklin)—award to Booth Communications and Heritage Communications 1/82 (15,000 homes)
Sterling Heights—award to Comcast Cablevision 2/82 (35,000 homes)
Minnesota
Afton, Cottage Grove, St. Paul Park, et. al (South Washington County Cable Commission)—working on RFP (6,000 homes)
Anoka, Champlin, Ramsey, Andover—award to Teleprompter 1/82 (14,000 homes)
Arden Hills, Little Canada, Roseville, et. al (North Suburban Cable Commission)—award to Group W 4/82 (44,000 homes)
Burnsville—tentatively working with Eagan on RFP
Chaska—award to United-Zylstra 2/82
Forest Lake, New Scandia, Columbia—proposals due 9/10/82
Hastings—award expected 8/2/82 (5,000 homes)
Kasson—award to Group W
Minneapolis—city council must officially approve Rogers-Storer arrangement, state approved joint franchise 6/11/82
Northfield City and Township, Dundas, Bridgewater Township, Rice County, Waterford Township, Dakota County--pending
Olivia—award to North America Communications Corp
Owatonna—pending
Princeton, Rush City, Mora, Milaca, Cambridge, Braham, North Branch, Branch, Pine City, Isanti, Townships: Pine City, Chengwatana, Milaca, Bradford, Spencer Brook, Pokegama, Isanti, Arthur (East Central Cable Commission)--proposals were due 7/1/82 (8,700 homes)
Prior Lake—expect to complete needs assessment early July
Roseville—award to Teleprompter Corp. 4/2/82 (42,000 homes)
St. Paul—hopes to make award within six months
Shakopee--city council's decision expected in July
Wayzata—pending
West St. Paul, Inver Grove Heights, Lilydale, South St. Paul, et. al (North Dakota Cable Service Territory)—pending
Missouri
Claycomb—pending
Glenaire—pending
Herculaneum—award to U.S. Cable
Jefferson City—award to TCI 4/20/82 (13,000 homes)
Jefferson County (unincorporated areas)—award to US Cable of Waukegan 2/82
Maplewood—award to Continental Cablevision 1/82
Pevely—award to U.S. Cable
Pleasant Valley—pending
Riverside—pending
St. Louis--pending
Vandalia—proposals due 7/15/82
New Hampshire
Hampstead—pending
Londonderry—pending
Plaistow—public hearing July 28, five applicants
New Jersey
Jersey City—pending
Paterson—pending
Princeton—administrative law judge approved Dow Jones award in borough in Princeton, but not for entire Princeton Township
Upper Deerfield, Cumberland City—pending
New York
Freedon—award to Tri-County US Cable TV os Salamanca 2/82
Harrison—award to Adams-Russell
New York City—borough negotiations still in progress
Odgen, Spencerport--award to Teleprompter 3/82 (4,500 homes)
Union Springs, Aurora, Aurelius, Cayuga County, Ledyard, Springport—award to Cablevision Industries
Westfield—award to U.S. Cable 4/82 (4,500 homes)
North Carolina
Davie County—pending
Mecklenburg County—award to Vision Cable 1/82
Ohio
Brooklyn—pending
Cleveland—pending
Garfield Heights—pending
Jackson Township—award to Warner Amex Cable 1/82 (10,000 homes)
Maple Heights--award to Viacom Cablevision 1/82
Middleburg Heights—pending
Newtown—pending
Vermillion—award to Adelphia 1/82 (4,100 homes)
Wadsworth—award to Warner Amex Cable Communication 2/82 (6,000 homes)
Whitehouse—award to Community Cable TV Inc
Oregon
Dayton—award to Liberty Cable 3/82 (450 homes)
East Multnomah County—award to Viacom 4/15/82
Gresham—award to Viacom Cablevision 2/82
McMinnville—pending
Milwaukie—pending
St. Helen's—award to Harmon Telecommunications 2/82 (3,000 homes)
Pennsylvania
Philadelphia—council approved a bill May 20 for four franchise areas. RFP expected soon
Rhode Island
Newport, Middletown, Portsmouth, Tiverton, Little Compton (Area 7)—pending
South Carolina
Anderson County—pending
Paris Island--award to Acton Corp. 3/82
Tennessee
Bartlett--award to Heritage Communications 1/82
Cheatham—award to Cablevision Enterprises 1/82
Texas
Azle—pending
Plano—Storer award overturned by public referendum 4/3/82
Virginia
Dinwiddie County—pending
Fairfax County—award expected 7/26/82
Goochland County—pending
York County—award to Continental Cablevision
Washington
Granger, Toppenish, Wapato, Zillah--pending
Seattle—RFP issued for central district, award expected 8/82. RFP for downtown business district is being prepared
Wisconsin
Brookfield—award to RVS Cable Corp. of Wauwatosa 3/82
Kenosha—proposals due 7/12/82
Milwaukee—award to Warner Amex (252,000 homes)
Mukwonago—award to RVS Cablevision 1/82

TAM'82
HICAGO

- CTAM ready to address changing times, winds
- Federal judge awards first round to cable in Arizona
- Marketing crews woo operators at CATA gathering
- Industry facing new dilemma, trade-show-mania

CableVision

The news and features weekly of the cable television industry July 19, 1982 3.00

C8920-2

Programming: The star is your home town

CableVision

July 19, 1982. Volume 7, Number 45

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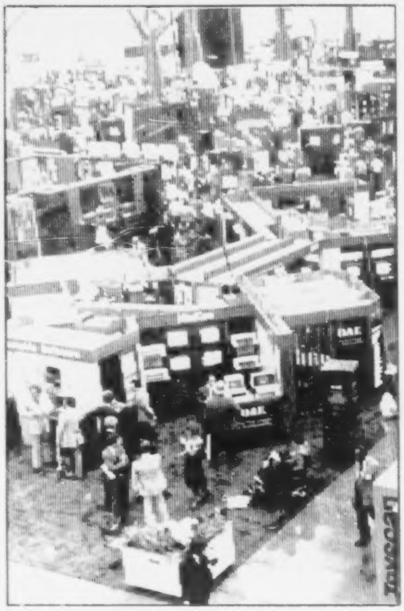


Business of shows

Call cable a trade-show-of-the-month club this fall. The Eastern Show is set in September, the new Atlantic Show follows in October and the Western Show runs in November. Is it all too much? Officials representing the events lay it on the line. **Leading the week, pages 16-19.**

Monopoly analysis

A study conducted for the NCTA claims that cable is not a monopoly service and presents legal, economic and engineering data to support that claim. **Leading the week, pages 16-19.**

Courtin' CATA

The Community Antenna Television Association's annual CCOS gathering attracted 175 operators in Nashville, Tenn., last week. It also attracted marketing crews from the cable service galaxy who did a little wooing in the "just folks" environment. **Leading the week, pages 16-19.**

The new look

For Sen. Barry Goldwater's revised cable bill (S.2172), franchise renewal provisions are in and sports blackout restrictions are out. The new look is designed to accommodate all interests. **Leading the week, pages 16-19.**

RKO/Nederlander rolling

No less than five productions from this joint venture debuted last month on HBO, Showtime and Spotlight. It is a partnership that has produced some of the best theater works for pay television. It also has produced some tidy financial rewards. **Page 23.**

Interactive scores

Alphanumeric scroll channels on cable television are paving the way for consumer acceptance of interactive services. That is the crux of a special report commissioned by The Associated Press on consumer demands. **Page 45.**

Partly cloudy forecasts

The Weather Channel is experiencing a downpour in the subscriber department and a dry spell in the advertising category. However, company officials are more than confident that the drought is very temporary. **Page 46.**

Injunction denied

The suit will go on, but the first round in the Arizona squabble about withholding programming from SMATV operators was awarded to the cable side of the suit. Federal Judge Walter Craig ruled that SMATV operators failed to prove irreparable injury. **Page 71.**

Videotex debate

The debate on common standards rages with no clear victor in sight. In the meantime, businesses around the world are capitalizing on the blossoming industry to fatten earnings. **Page 91.**

Motor City gamble

Detroit officials are confident there will be a great deal of interest when the city releases its request for proposals for cable. **Page 91.**

MDS perspective

The MDS industry has voiced support for reallocating spectrum space and loosening technical requirements for that service. However, other groups view the plan with little enthusiasm. **Page 93.**

About the cover

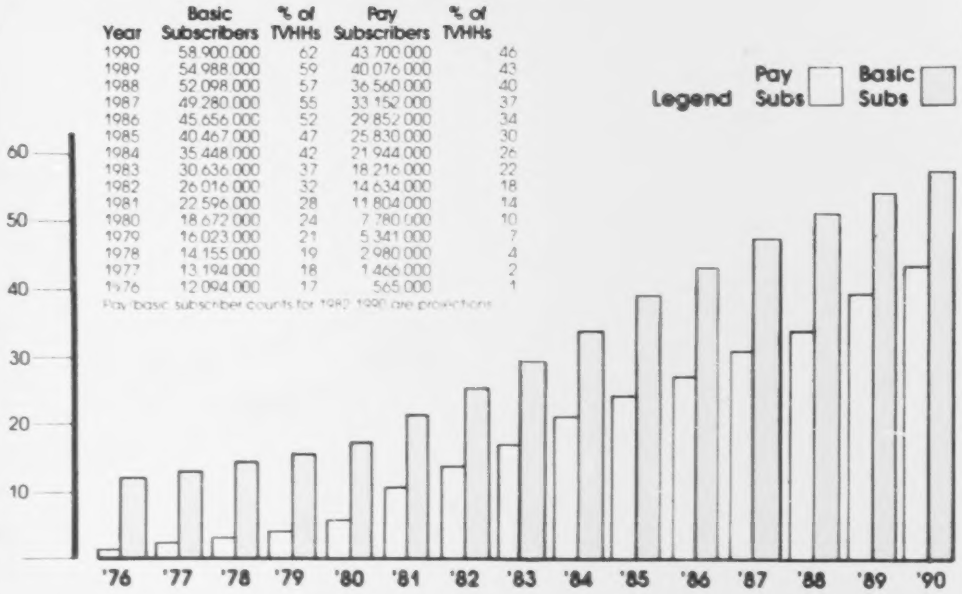
The Crown of Boss is an original made-for-pay 30-minute Halloween special produced by Imagicom Productions and exclusively distributed by Metromedia Producers Corporation.

This week in *CableVision Plus*

Grassroots video producers and directors are the centerpiece of a 12-page special report on cable's community connection. With budgets that range from the adequate to borderline, an army of video volunteers, freshly graduated from cable system seminars from coast-to-coast, is turning its portapaks on the home town scene. *CableVision Plus* takes a look at what happened in San Francisco, Iowa City, Warren, N.J., East Lansing, Mich., Oklahoma City and Atlanta as "average people," with the benefit of a lot of imagination and a little encouragement, try their luck at do-it-yourself TV production.

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Satellite-fed cable programming services

Basic services	Affiliates*	Subscribers*	% change in subs from 4/30	
Alpha Repertory Television Service (ARTS)[1]	1,650	7,300,000	—	
Appalachian Community Service Network (ACSN)	210	1,511,402	5	
Black Entertainment Television (BET)	845	9,100,000	NC	
Cable News Network	2,315	13,855,000	6	
CNN2	154	1,200,000	NC	
Cable Satellite Public Affairs Network (C-SPAN)	1,000	11,000,000	NC	
CBS Cable	350	4,500,000	11	
Christian Broadcasting Network (CBN)	2,935	16,600,000	2	
Daytime	385	5,608,247	8	
Dow Jones Cable News[2]	45	535,00	—	
Electronic Program Guide (EPG)[2]	22	275,000	—	
Entertainment and Sports Programming Network (ESPN)	3,881	16,431,162	4	
Eternal Word Television Network	27	407,187	12	
Financial News Network[2]	16	350,000	—	(6/22)
Modern Satellite Network (MSN)	363	4,450,000	3	
Music Television (MTV)	600	4,000,000	NC	
National Christian Network	37	523,227	2	(7/1)
National Jewish Television	92	1,906,050	NC	
Nickelodeon	1,725	7,700,000	NC	
North American/ The Travel Channel	114	876,000	2	
PTL Television Network	600	5,500,000	6	
Reuters News View[2]	390	3,800,000	—	
Satellite News Channel I[5]	300	2,600,000	—	(6/22)
Satellite Program Network (SPN)[3]	475	4,731,294	3	
SIN National Spanish Television Network[4]	488	24,652,500	NC	
Trinity	170	1,587,000	NC	
USA Network	1,750	11,000,000	NC	
The Weather Channel	353	4,500,000	NC	

Basic audio services	Affiliates*	Subscribers*	% change in subs from 4/30
Lifestyle	64	750,000	40
WFMT	115	850,000	5
Pay services			
Bravo	31	56,827	-5
Cinemax	900	1,500,000	NC
EROS[6]	10	25,000	—
Escapade/Playboy	150	240,116	3
GalaVision	134	100,000	NC
Home Box Office (HBO)	3,600	9,000,000	NC
Home Theatre Network Plus	275	155,000	NC
Showtime	1,500	3,000,000	NC
The Movie Channel (TMC)	2,150	2,200,000	NC

*Affiliate and subscriber counts are as of May 30, 1982, unless otherwise noted

[1] ARTS is now being considered separately from Nickelodeon

[2] Service is new to programming chart

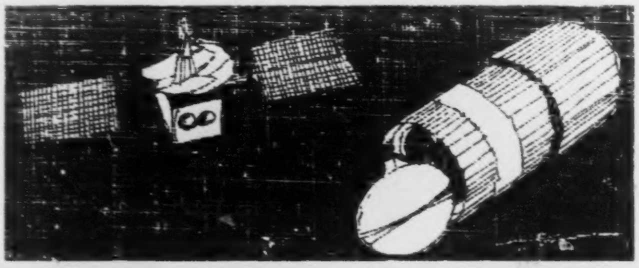
[3] Subscriber count denotes households receiving signal

[4] Total SIN reach: Estimated Spanish-speaking households (including broadcast stations and translators): 3,027,700

[5] Launched 6/21/82

[6] Count includes only cable subscribers (no STV).

NC designates no change



Announced satellite-fed services

ABC/ESPN Pay Service
ESPN Plaza, 935 Middle Street
Bristol, Conn. 06010
(203) 584-8477
Rosa Gatti
4th quarter 1982 launch

Appollo Satellite Television
c/o Inter City Broadcasting Corp.
801 2nd Ave.
New York, N.Y. 10017
(212) 953-0300
Percy Sutton
Launch to be announced

The Buena Vista Channel
912 Northeastern
Los Angeles, Calif. 90063
(213) 269-0391
Ed Sterling
1983 launch

Cable News Corporation
Business Route 101
Epping, N.H. 03842
(603) 679-2222
Dennis Alvia
1/83 launch

Cableshop
c/o Adams Russell
1380 Main Street
Waltham, Mass. 02154
(617) 894-8540
John Pollock
4/83 launch

Catholic Telecommunications
Network of America
95 Madison Ave.
New York, N.Y. 10016
(212) 696-0800
Betty Haig
9/82 launch
Programming hours: M-F 3/day

Christian Media Network
Maryland
Chris Weaver
Relaunch to be announced

Cinemerica
9477 Brighton Way
Beverly Hills, Calif. 90210
(213) 550-1563
Ken Silverman
Launch to be announced

The Disney Channel
Walt Disney Productions
41 Harbor Plaza Drive
Stamford, Conn. 06904
(203) 964-8355
Barbara Ruger
2nd quarter 1983 launch
Westar IV

Family Programming Network
Chattanooga, Tenn.
Billy Batts
Launch to be announced

Heartbeat Media Network
1700 Broadway
New York, N.Y. 10019
(212) 582-9552
Derrick Meade
4th quarter 1982 launch

Home Music Store
1800 M Street NW
Washington, D.C. 20036
(202) 822-9128
83/84 Launch

The Job Channel
Launch to be announced

Kidvid Network
342 Madison Ave.
New York, N.Y. 10173
(212) 867-1700
Claude Hill
10/82 launch
Price per sub: free
Programming hours: 21/wk

Lewmark Productions Music
8730 West 3rd Street
Los Angeles, Calif. 90048
(213) 275-4558
Mark Tobias
Launch to be announced

Magicable
Intermedia Entertainment Service
1350 Ave. of the Americans
New York, N.Y. 10019
(212) 247-1700
David Smith
3rd quarter 1984 launch

Nashville Network
c/o WSM, P.O. Box 100
Nashville, Tenn. 87202
(615) 889-6840
Tom Griacom
2/83 launch
Programming hours: 18/day

National Jazz Network (audio)
P.O. Box 157
Amhurst, Mass. 01002
(413) 549-0811
Eric Reid
1982 launch

PBS Cable
L'Enfant Plaza
Washington, D.C. 20024
Launch to be announced

Penthouse Entertainment Network
888 7th Ave
New York, N.Y. 10106
(212) 489-7231
Bob Jacobs
Launch to be announced

Satellite News Channel II
41 Harbor Plaza Drive
Stamford, Conn. 06904
(203) 964-8355
Dan Ruth
2nd quarter 1983 launch
Price per sub: free
Programming hours: 24/day
Westar V

Sitcom Channel (Channeltainment)
Box 1081
Knoxville, Tenn. 37601
(615) 524-8575
1st quarter 1984 launch

Spanish Universal Network
2990 Richmond Street, Suite 140
Houston, Texas 77098
(713) 522-2013
Jerry Morris
7/82 launch

SPN/International Network
SPN/Financial-Religious Network
SPN/Classic Movie Network
SPN/How-to Network
8252 S. Harvard Ave.
Tulsa, Okla. 74136
(918) 481-0881
Bill Sullivan
Launch to be announced

Top Entertainment Network
Launch to be announced

United Satellite Television Network
(4 services)
919 3rd Ave. 27th floor
New York, N.Y. 10022
(212) 750-8666
Richard Blume
1st quarter 1983 launch

UTV Cable Network
22-08 Route 208
Fairlawn, N.J. 07410
(201) 794-3660
1/83 launch
Wester V/10X
Price per sub: free
Programming hours: 24/day

Video Concert Hall
2215 Perimeter Park
Suite 21, P.O. Box 54105
Atlanta, Ga. 30341
Charles Henderson
7/82 launch
Price per sub: free

Window
Public Interest Video Network
2712 Ontario NW
Washington, D.C. 20009
(202) 797-8997
Kim Spencer
Launch to be announced

- Canadian firm targets U.S. pay TV market
- Group W faces strike over union recognition stand
- Florida access suit pushed despite recent ruling
- Cable, STV firms organize 'biggest' pay TV special

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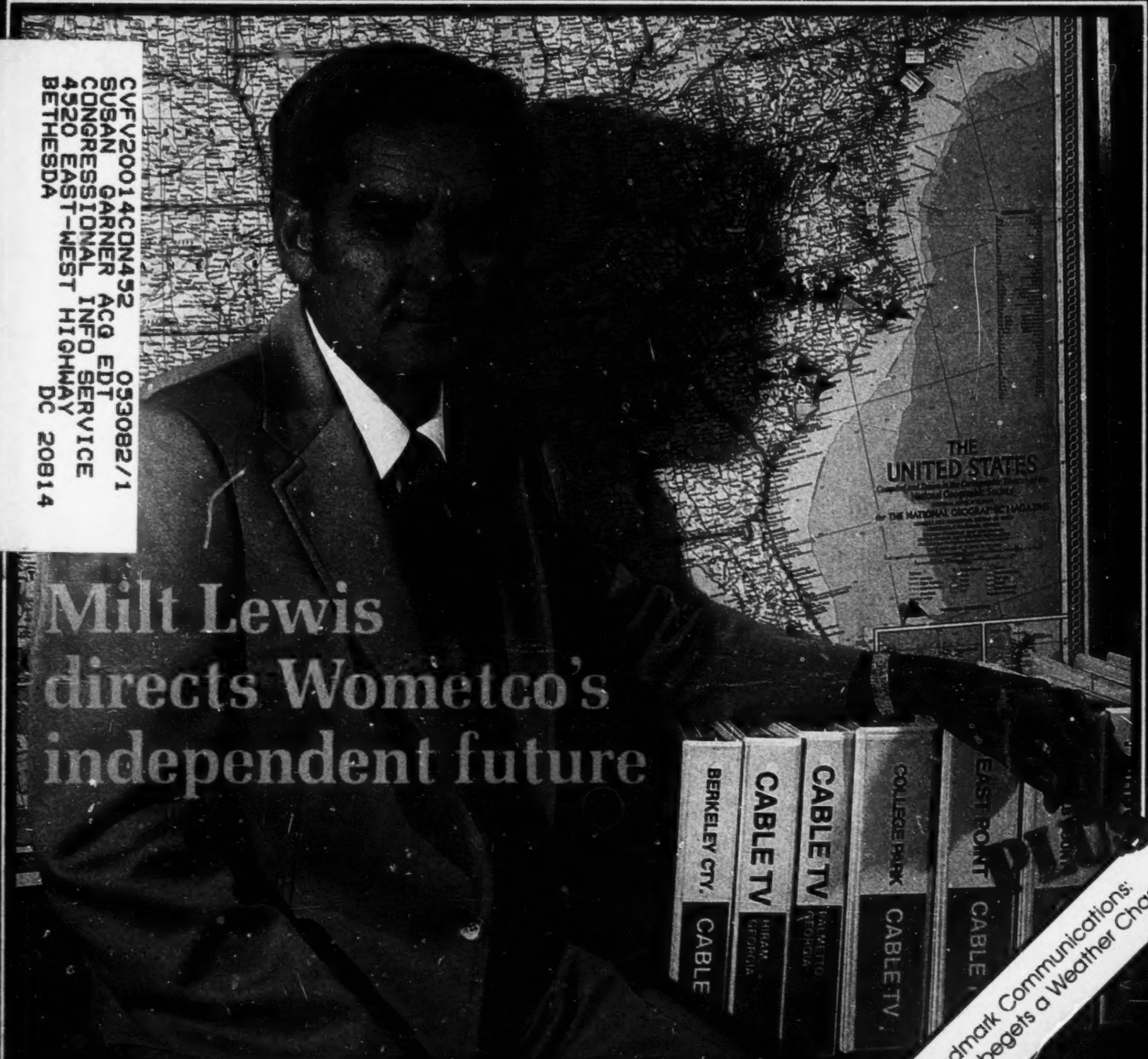
7/23/

CableVision™

The news and features weekly of the cable television industry July 26, 1982 $3.00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Milt Lewis directs Wometco's independent future

PLUS Landmark Communications: Newsprint begets a Weather Channel

CableVision July 26, 1982. Volume 7, Number 46

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Maglio over Rainbow

Jerry Maglio, president of Rainbow Programming Services, is leaving the Long Island-based premium pay service to return to Denver. He is joining Daniels & Associates. In an exclusive interview, he tells *CableVision* why he's making the move back to marketing. **Leading the week, pages 13-24.**

Access rule challenge

A Florida cable company is going full speed with a lawsuit against an apartment owner despite the Supreme Court's recent decision regarding access. **Leading the week, pages 13-24.**

CBS rumors

Officials at CBS Cable went on record last week as saying the cultural service is in the pink. However, industry rumors persist that the company is facing severe financial hardships. **Leading the week, pages 13-24.**

Group W struck

The operators of Los Angeles' self-booked pay service are on strike and they vow not to return to work until Group W recognizes their union. **Leading the week, pages 13-24.**

Phone bill mark-up

The House Energy and Commerce Committee haggled over a barrage of amendments during sessions on H.R. 5158. The continued struggle to tack on changes could stall action on the measure. **Leading the week, pages 13-24.**

'Blue eyes' special

Pay television's biggest special to date will air in November when a consortium of cable and STV companies presents Frank Sinatra in concert. **Leading the week, pages 13-24.**

Boston sports coup

Details are still sketchy, but Storer-owned WSBK-TV in Boston is putting the final touches on a deal to enter pay cable with coverage of the Boston Red Sox, Bruins and perhaps the Celtics. **Page 31.**

CBN/Taft pact

Christian Broadcast Network has opened its doors to new offices on the West Coast and at the same time developed an agreement with Taft Broadcasting to produce children's programming. **Page 38.**

Lee's crossing

Derrett Lee is directing the efforts of Canadian Film Marketing Inc., which is targeting the pay TV market in the United States with products from Canada. **Page 44.**

Experimental success

An informal partnership between two Tele-Communications Inc. systems and the Cabletelevision Advertising Bureau has led to a successful experiment in local advertising sales. **Page 46.**

Centel capitalizing

The Chicago-based telephone/cable company is staying away from its hometown franchise fight, but has developed its own plans for becoming a big part of the cable industry. **Page 71.**

L.A. heats up

Bidders continue heavy in-fighting for the East San Fernando Valley franchising rights. At stake is a lucrative market with some 166,00 homes. **Page 87.**

Cable at bat

After three weeks of testimony, cable representatives are getting their turn to present industry positions before the Copyright Royalty Tribunal. **Page 93.**

This week in *CableVision Plus*

Which of the top 25 MSOs is a bottler of Coca Cola, owns the Miami Seaquarium and operates broadcasting stations, movie theaters and subscription television services? The answer is Miami-based Wometco Enterprises—an old-line company with an opportunistic bent. Jeri Baker takes a look at how well Wometco has succeeded in juggling its video ventures. And speaking of roots, there is Landmark Communications, a multimedia conglomerate, based in Norfolk, Va., with a newspaper tradition that dates back to the Civil War. A cable operator as well, Landmark made news this spring as one of the partners in the launch of the 24-hour Weather Channel. Read how newspapering fueled Landmark's flight to a satellite. Somewhat in the historical vein, as well, *Plus* visits with Gladice Schneider of Wyoming Cable TV, the mom of Richard and Gene of Denver-based United Cable Television. Mrs. Schneider's story is a classic page in the history of the industry. Pages 47-70.

acquisition will help Anixter become the leading distributor in Canada. Terms were undisclosed. Micro-Sat's 1981 sales were close to $10 million. Anixter's 1981 sales were $441.5 million.

Nashville Network signs sports series

NASHVILLE—The Nashville Network signed its first weekend programming, a series of sports shows called *American Sports Cavalcade*. Ed Bruce will be the series' host. The program will be packaged by Diamond P Sports Inc. of Hollywood, Calif. It will include everything from auto races to tractor pulls that were shot on locations across the U.S. The Nashville Network, a project of Opryland Productions of WSM Inc. in Nashville and Group W Satellite Communications in Stamford, Conn., is expected to debut in early 1983.

ARTS tapes defection

NEW YORK—Hearst/ABC ARTS plans to document both the recent International Tchiakovsky Competition and the Second Annual Ballet Competition, but their filming included a last-minute, unexpected defection. According to an ABC ARTS spokesman, a dancer from the People's Republic of China finished his *pas de deux* on the Jackson, Mo., stage, then waltzed out to a waiting car. He then asked for asylum in the U.S. The entire scene will appear on ARTS' coverage. Both the Tchiakovsky Competition and the Ballet Competition will debut on ARTS at a date to be determined.

Atari airs ads on cultural networks

NEW YORK—Atari Inc. has decided to add cultural networks to its advertising program. The Warner Communications company, through its agency Doyle Dane Bernbach, has bought a schedule of 30-second commercials to start in August on both CBS Cable and ARTS. A CBS Cable spokesman noted that Atari is the 21st client for the network.

Kastel Communications backing NJT

NEW YORK—National Jewish Television picked up a financial backer last week in Kastel Communications, a production company based in Israel. Kastel will acquire up to 50 percent equity in NJT, and will supply the three-hour Sunday afternoon service with half of its weekly programming output. Kastel currently supplies NJT and Satellite Program Network with a magazine-format series, *Hello, Jerusalem*. Kastel chairman Uri Evan said the firm will also help NJT in advertising and marketing efforts.

SelecTV OKs 'Star Wars,' nixes 'Pirates'

LOS ANGELES—Universal Pictures' pay-per-view showing of *The Pirates of Penzance* will not play next Feb. over SelecTV's STV stations here and in Milwaukee. SelecTV rejected Universal's proposal last week, claiming the cost per subscriber ($6 to $10) too high for the movie of the Broadway hit. *Pirates* will run the same time as its premiere in movie theaters nationwide. "We found their present offer just not acceptable," explained SelecTV Vice President and General Manager John Calvetti. "We're not playing a game where we make guarantees on up-front untested product." Both stations have signed to take *Star Wars* on a pay-per-view basis in late September.

Corrections, clarifications

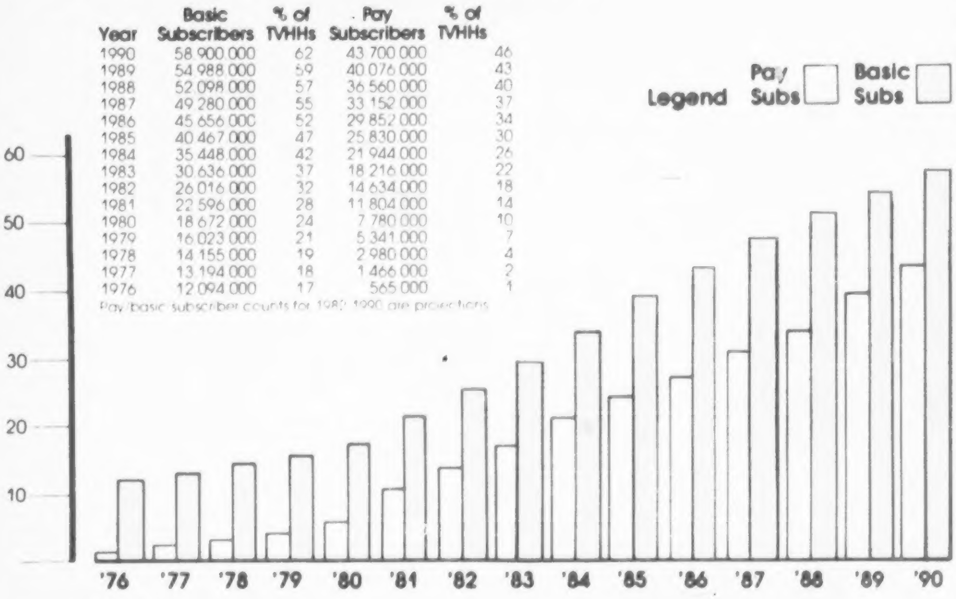
RKO/Nederlander's productions for The Entertainment Channel were incorrectly listed in last week's *CableVision* (July 19). They include *Sweeney Todd, Emlyn Williams as Dickens, Canterbury Tales, Lena Horne: The Lady and Her Music* and *I Do, I Do. Pippin* and *Piaf* are the productions of David Sheehan and Bill Siegler, respectively. Bravo's percent change in subscribers was listed incorrectly in the July 19 *CableVision* "Cable stats" section. The correct percentage should have been +4.0.

On the record

A McLean, Va., company plans to launch two satellites in late 1986 for Ku-band nationwide transmission of video conferencing, electronic mail, radio, cable, data and newspapers. Pending Federal Communications Commission approval, Advanced Business Communications Inc. plans to lease 20 transponders on each satellite.

- Total TV in Wisconsin has ordered 12,000 Oak TC-56 addressable converters for 12 southeastern Wisconsin systems operating through a single headend and connected by high-power microwave transmissions. Total TV Regional Manager Gerry Pauls said the 56-channel converters passed the initial field test for reliability.
- ESPN has begun its third consecutive year of coverage of the Canadian Football League. It will offer at least 35 games this season. The playoffs and the Grey Cup also will be presented.
- The Society of Cable Television Engineers will host a full day session on labor relations and how to deal with unions Sept. 8 in Atlanta, prior to the Eastern Show.
- Barden Cablevision, a minority-owned MSO based in Inkster, Mich., has added two more franchises to its total. The towns are Romulus and Van Buren Township., Mich. Both franchises will be 54-channel, 450 MHz.
- Madison Square Garden Network, in association with New Jersey's Meadowlands Racetrack, will again distribute *Post-Time USA*, a series of harness races to be carried nationally on the USA Network.
- Adams-Russell Company has entered into an agreement with Home Box Office to launch Cinemax in 17 systems, representing 95,000 subscribers and passing 178,000 homes. The systems are located in five states and include add-ons and new-builds.
- HBO has expanded its Target Area Marketing co-op marketing program from nine to 20 areas this year. Officials cited affiliate success with the campaign. The new plan will support approximately 750 cable systems.
- Bravo spotlights Australian films next month in a special festival presentation. Highlighted films include *Picnic at Hanging Rock, The Getting of Wisdom* and *The Chant of Jimmie Blacksmith*.
- American Video Shopper is making its Nashville production facilities available for use by cable advertisers, systems and advertising agencies.
- ATC chairman and chief executive officer Trygve Myhren became a vice president of Time Inc. last week.
- Scientific-Atlanta will build a $3 million uplink for Home Box Office on Long Island, Scientific-Atlanta officials said.
- Eastern Microwave starts transmission of superstation WOR over Westar V, transponder 2D July 20. Westar IV transmission of WOR continues until July 27.
- United Cable of Scottsdale is constructing a two-way, 60-channel system using Jerrold 450 MHz cable equipment. According to Jack Forde, Jerrold vice president of sales, the United system is the first using 450 MHz equipment.
- A Colony Communications subscriber survey in New Bedford and Fall River has shown a high acceptance of local programming. Of nearly 400 subscribers surveyed, Colony's 24-hour movie service MovieTime was watched by 76 percent, *Local News 13*, a half-hour local news program, was viewed by 49 percent, and Panorama de Portugal, Colony's Portuguese channel, had a 30 percent rating among those polled.
- Field Communications agreed last week to run CNN2 segments on four of their five television stations. WFLD in Chicago; WKBS in Philadelphia; WKVD in Detroit and WLVI in Boston. Broadcasting will begin in early October. Local news and advertising will run during each segment.
- The UTV Cable Network, set to launch in January 1983 on Westar V, has doubled the amount of local advertising it will offer affiliates. Local affiliates will now be allotted up to 100 30-second spots per day. National advertisers will still receive eight minutes an hour of time; local time will average two minutes an hour.
- The Cable Health Network signed another affiliate with the Arlington, Va., ARTEC system. CHN Chairman and chief doctor Art Ulene was on hand when the service switched on.

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Top 30 MSO overview

Rank	Multiple System Operator	Basic Subs	Homes Passed	% Basic/ Homes Passed	% Basic/ Total Basic[1]	% Homes/ Total Homes[2]
1.	Tele-Communications Inc.	1,900,000	—	—	7.8	—
2.	American Television and Communications	1,900,000	3,638,300	52.2	7.8	8.2
3.	Group W Cable	1,710,425	—	—	7.1	—
4.	Cox Cable Communications	1,131,981	1,919,245	58.9	4.7	4.3
5.	Storer Cable Communications	1,000,115	1,800,000	55.6	4.1	4.1
6.	Warner Amex Cable Communications	943,500	1,686,297	56.0	3.9	3.8
7.	Times Mirror	691,225	1,178,731	58.6	2.85	2.7
8.	Newhouse Broadcasting	628,802	1,003,000	62.7	2.6	2.3
9.	Rogers-UA Cablesystems	610,874	1,118,108	54.6	2.5	2.5
10.	Viacom Cablevision	561,206	1,088,035	51.5	2.3	2.5
11.	Continental Cablevision	505,000	1,000,000	50.5	2.08	2.25
12.	United Cable Television	494,624	873,743	56.6	2.0	2.0
13.	Sammons Communications	484,631	657,864	73.7	1.9	1.5
14.	TeleCable Corp.	320,000	516,000	62.0	1.3	1.2
15.	Capital Cities Cable	303,062	443,310	68.4	1.3	1.0
16.	General Electric Cablevision	300,000	493,000	60.9	1.2	1.1
17.	Heritage Communications	251,476	505,052	49.8	1.0	1.1
18.	Comcast Corp.	239,284	464,572	51.5	0.99	1.0
19.	Cablevision Systems Development	236,600	552,660	42.8	0.97	1.25
20.	Liberty Communications	233,000	450,000	51.8	0.96	1.0
21.	Daniels & Associates Inc.	229,415	451,600	50.8	0.95	1.0
22.	Wometco Communications	206,944	374,822	55.2	0.85	0.85
23.	Tele-Media Corp.	200,800	—	—	0.83	—
24.	Service Electric Cable TV	189,500	—	—	0.78	—
25.	TCA Group	182,701	275,000	66.4	0.75	0.62
26.	Maclean Hunter	173,037	372,152	46.5	0.71	0.84
27.	Century Communications	169,500	285,000	59.5	0.70	0.64
28.	Multimedia Cablevision	166,520	321,292	51.8	0.68	0.73
29.	Colony Communications	158,260	268,963	58.8	0.65	0.61
30.	Jones Intercable	152,913	—	—	0.63	—

[1] Total Basic—24,242,000.

[2] Total Homes—44,252,000.

Cable stats

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs	
1.	Tele-Communications Inc.	1,900,000	
2.	American Television and Communications	1,900,000	
3.	Group W Cable	1,710,425	
4.	Cox Cable Communications	1,131,981	
5.	Storer Cable Communications	1,000,115	
6.	Warner Amex Cable Communications	943,500	
7.	Times Mirror	691,225	
8.	Newhouse Broadcasting[1]	618,723	
9.	Rogers-UA Cablesystems	610,874	
10.	Viacom Cablevision[2]	543,098	
11.	Continental Cablevision	505,000	(5/31)
12.	United Cable Television Corp.	494,624	
13.	Sammons Communications	484,631	
14.	TeleCable Corp.	320,000	
15.	Capital Cities Cable	303,062	(6/4)
16.	General Electric Cablevision	300,000	
17.	Heritage Communications	251,476	
18.	Comcast Corp.	239,284	
19.	Cablevision Systems Development	236,000	
20.	Liberty Communications	233,000	
21.	Daniels & Associates	229,415	(5/31)
22.	Wometco Communications	206,994	
23.	Tele-Media Corp.	200,800	
24.	Service Electric Cable TV	189,500	
25.	TCA Group	182,701	
26.	Maclean Hunter	173,037	
27.	Century Communications	169,500	
28.	Multimedia Cablevision	166,520	
29.	Colony Communications	158,260	
30.	Western Communications	148,500	(6/1)
31.	Jones Intercable Inc.	141,440	
32.	Prime Cable	131,376	
33.	Centel Cable Television	124,593	(5/21)
34.	Harris Cable Corp.	122,500	
35.	Tribune Company Cable	115,963	
36.	Midwest Video	114,615	
37.	Communications Service Inc.	110,000	
38.	Rollins Cable Vue	109,700	(5/31)
39.	McCaw Communications[3]	101,855	
40.	Cable Vision Industries	93,102	(5/31)
41.	Buckeye Cablevision	90,712	
42.	Harron Communications	89,093	
43.	Sutton Capital Group[4]	87,500	(2/28)
44.	Armstrong Utilities[5]	85,948	
45.	Communications Systems Inc.	83,628	
46.	Cablentertainment	78,582	
47.	Omni Cable TV	78,099	
48.	McDonald Group	78,013	
49.	Adams-Russell	77,000	(5/31)
50.	Multi-Channel TV Cable Co.	75,332	
51.	Palmer Communications	75,229	
52.	King Videocable Co.	72,800	
53.	Alda Group	71,489	
54.	American Cablesystems Corp.	69,825	
55.	Perry Cable TV Corp.	67,567	
56.	The Essex Group	65,790	
57.	Buford Television	64,394	(12/81)
58.	Summit Communications	64,019	(5/31)
59.	Gulf Coast Cable Television Ltd.	63,640	
60.	Omega Communications	60,000	
61.	Coaxial Communications	60,000	
62.	WEHCO Video	59,794	
63.	Adelphia	58,099	
64.	Televents	58,060	
65.	Booth Communications	55,614	
66.	US Cable Corp.	55,273	
67.	Cable America	55,000	
68.	Pencor Services Inc.	54,992	
69.	National Telecommunications Co.	54,950	
70.	Ultracom Inc.	52,526	
71.	Consolidated Cable Systems	50,600	(1/82)
72.	Total TV Inc.	48,188	
73.	Acton Corp.	47,682	
74.	Cable TV of Puget Sound	46,528	
75.	Clear TV Cable Corp.	46,065	
76.	The Daily Press	45,000	
77.	Sonic Cable TV	43,642	(7/81)
78.	Falcon Communications	43,000	
79.	Greater Media	41,218	
80.	NorCal Cablevision (McClatchy-Viacom)	40,483	
81.	Lenfest Group	40,250	
82.	Susquehanna Broadcasting	40,182	
83.	National CableSystems Inc.[6]	35,300	
84.	Columbia Communications	33,867	
85.	Joseph S. Gans	33,300	
86.	Selkirk Communications	30,789	(4/1)
87.	Midcontinent Cable Systems	30,083	
88.	Cable Holdings Inc.	30,000	
89.	Commonwealth Cable of Massachusetts	28,532	
90.	RVS Cablevision Corp.	28,200	
91.	Hellicon Corp.	28,000	
92.	Lawrence Flinn Jr.	28,000	
93.	American Cable Television Inc. (Phoenix, Ariz.)	26,585	
94.	Gerity Cablevision	26,200	
95.	Mid America Media	25,364	
96.	Martix Enterprises	25,251	
97.	Oak Communications	25,000	
98.	Mickelson Media	24,415	
99.	Potomac Valley TV Co.	24,220	
100.	Telfron Inc.	22,989	

[1] Includes MetroVision, NewChannels, Vision Cable.

[2] Includes 40% ownership in Nor-Cal Cable.

[3] Includes acquisition of Southern Oregon Cable which was final as of 4/30.

[4] Includes systems owned and with controlling interest.

[5] Includes Armstrong Comm. Corp., Nat'l. Cable TV Corp., N. Lauderdale Cable.

[6] Includes systems owned and/or managed.

Top 100 systems

Rank	Location	Operator	Basic Subs
1.	San Diego, Calif.	Cox Cable	218,902
2.	Manhattan, N.Y.	ATC	156,675
3	Oyster Bay (Long Island), N.Y.	Cablevision Systems	156,000
4	West Orange, N.J.	MacLean Hunter	137,574
5	San Antonio, Texas	Rogers-UA	111,621
6	Wayne, N.J.	Rogers-UA Cable	106,051
7	Los Angeles, Calif.	Group W Cable	104,750
8	Tulsa, Okla.	United Cable	100,936
9	Audubon, N.J.	NYT Cable	93,933
10	Erie County, N.Y.	Prime Cable	93,683
11	San Jose, Calif.	Gill Industries	90,283
12	Tidewater, Va.	Cox Cable	87,802
13	Austin, Texas	ATC	83,500
14	Central Islip, N.Y.	Viacom	82,447
15	Orlando, Fla.	ATC	76,100
16	Jefferson Parish/Kenner, La.	Cox Cable	75,164
17	Grand Rapids, Mich.	General Electric	71,100
18	Hartford/Meriden, Conn.	Times Mirror	71,084
19	Toledo, Ohio	Buckeye Cablevision	70,447
20	Manhattan, N.Y.	Group W	70,210
21	Seattle, Wash.	Group W Cable	68,665
22	Wilmington, Del.	Rollins Cable	67,963
23	Honolulu, Hawaii	ATC	67,550
24	San Francisco, Calif.	Viacom	62,137
25	San Diego, Calif.	ATC	60,600
26	Baton Rouge, La.	Daniels	60,983(5/21)
27	Flint, Mich.	Comcast	59,381(6/2)
28	Memphis, Tenn.	ATC	58,250
29	Wichita, Kan.	Multimedia Cable	57,446
30	Monterey, Calif.	Western	57,300
31	Buffalo, N.Y.	Minneapolis Star	57,239
32	Jacksonville, Fla.	ATC	57,200
33	Santa Barbara, Calif.	Cox Cable	56,980
34	Columbus, Ohio	Warner Amex	56,000
35	Henrico County/Richmond, Va.	Continental	56,000(5/15)
36	Allentown, Pa.	Twin County	55,000
37	Melbourne, Fla.	ATC	54,750
38	Baltimore County, Md.	Caltec Cable	53,687
39	Greater San Juan, Puerto Rico	Harris Cable	53,333
40	Suburban Rochester, N.Y.	People's Cable	53,115
41	Harrisburg, Pa.	Sammons	52,066
42	Snohomish County, Wash.	Viacom	51,444
43	Binghamton, N.Y.	NewChannels	51,137
44	Louisville, Ky.	Times Mirror	50,138
45	Seattle, Wash.	Viacom	49,647
46	El Paso, Texas	Group W Cable	49,370
47	Boston Complex, Mass.	Warner Amex	49,200
48	Columbus, Ohio	Coaxial Comm.	48,288
49	Canton, Ohio	Warner Amex	47,200
50	Reading, Pa.	ATC	46,550
51	Sarasota, Fla.	Storer Cable	46,279
52	Peoria, Ill.	General Electric	46,000(5/21)
53	Des Moines, Iowa	Heritage	45,871
54	San Rafael/Marin, Calif.	Vaicom	45,854
55	Shreveport, La.	ATC	45,550
56	San Diego County, Calif.	Times Mirror	45,409
57	Pompano Beach, Fla.	American Cable TV	45,340
58	Akron, Ohio	Warner Amex	44,400
59	West Haven, Conn.	Storer	44,211
60	South Bend, Ind.	Buford	43,800(5/21)
61	Eugene, Ore.	Group W Cable	43,750
62	NW Houston, Texas	Warner Amex	43,700
63	Spokane, Wash.	Cox Cable	43,330
64	Charlotte, N.C.	ATC	43,250
65	Albany, N.Y.	ATC	43,050
66	New Britain, Conn.	United	41,986
67	Birmingham, Ala.	ATC	41,100
68	Moline/Quint Cities, Ill.	Cox Cable	40,996
69	Bridgeport, Conn.	Alda Group	40,534(5/21)
70	Scranton, Pa.	Ve[illegible]o Cable TV	40,532
71	Concord, Calif.	Western	40,500
72	Dade/Broward Counties, Fla.	Storer	40,107
73	Lincoln, Neb.	MetroVision	40,000
74	Bakersfield/Kern Co., Calif.	Warner Amex	40,000
75	Branford, Conn.	Rollins Cable	39,900(5/3)
76	Charleston, S.C.	Storer	39,753
77	Brookhaven, N.Y.	Rogers-UA Cable	39,651
78	Port Arthur, Texas	Liberty	39,314
79	Jackson, Miss.	ATC	39,200
80	Lansing, Mich.	Continental	39,000
81	Rockford/Loves Park, Ill.	General Media	39,000
82	Overland Park, Kan.	TeleCable Corp.	38,600
83	Naples/Marco, Fla.	Palmer Commun.	38,189
84	Cleveland, Ohio	Viacom	37,903
85	Winston-Salem, N.C.	Summit Commun.	37,819
86	Springfield, Ill.	Times Mirror	37,303
87	Deerfield, N.Y.	Harron Commun.	37,047
88	Palm Desert, Calif.	Palmer Commun.	37,040
89	Fayetteville, N.C.	ATC	37,000
90	West Palm Beach, Fla.	Group W Cable	36,975
91	Stuart, Fla.	Perry	36,758
92	St. Petersburg, Fla.	Group W Cable	36,325
93	Beacon, N.Y.	Colony Commun.	36,112(5/31)
94	Honolulu, Hawaii	TV Systems Inc.	36,000
95	Cleveland, Ohio	Cox Cable	35,756
96	Dover, N.J.	Sammons	35,334
97	Madison, Wis.	Complete Channel TV	34,500
98	Waterbury, Conn.	Sammons	34,266
99	Pensacola, Fla.	Cox Cable	34,265
100	Cincinnati Suburbs, Ohio	Warner Amex	34,200

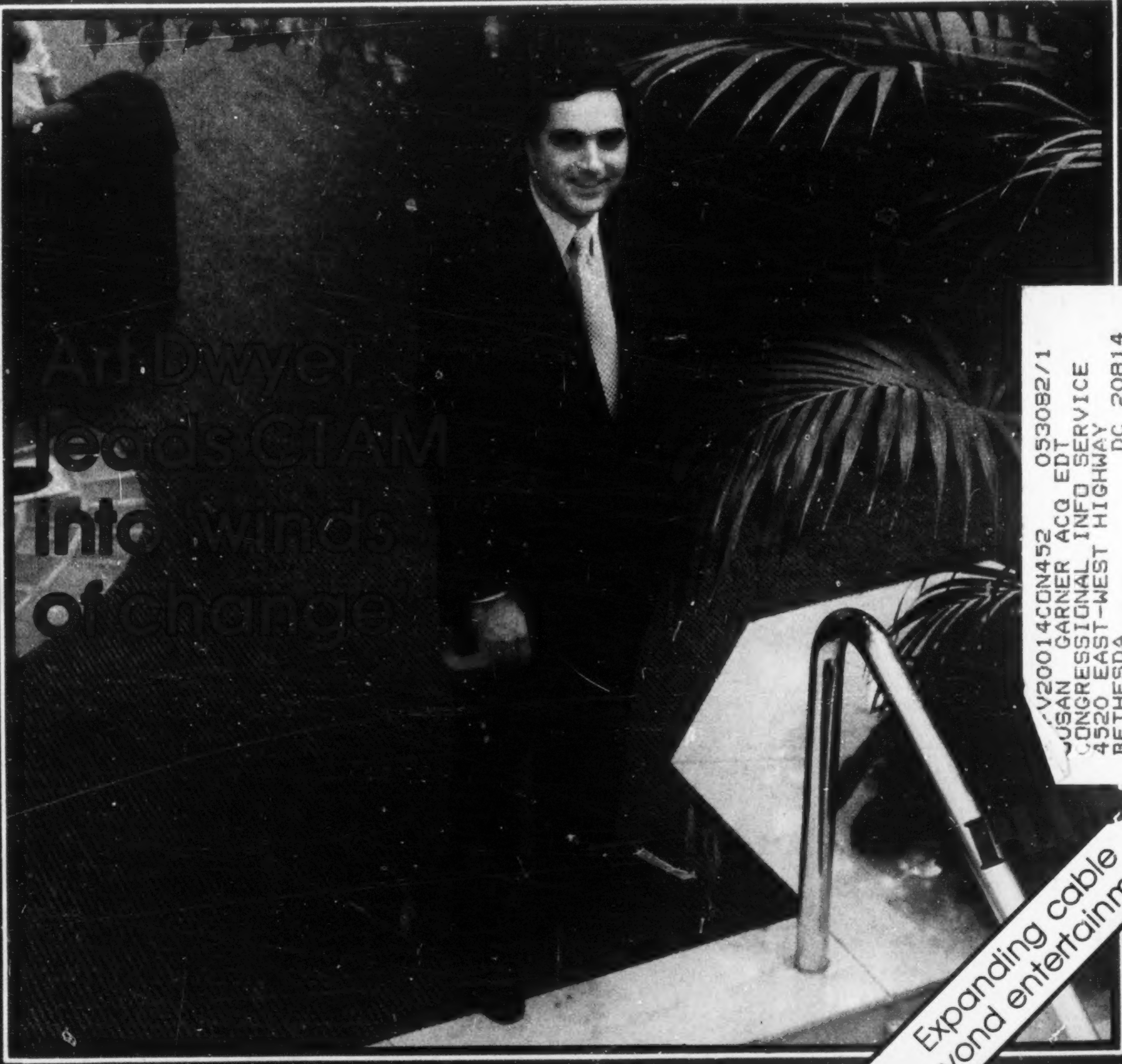
Note: Subscriber counts for MSOs and systems are as of 6/82 unless noted otherwise.

- Wirth blames pressure for death of H.R. 5158
- NYC unit: Access ruling anti-restrictive in scope
- Asner lends support to Z Channel strikers
- Senators place S. 2172 under the microscope

C8920-2 7/29/82

CableVision

The news and features weekly of the cable television industry August 2, 1982 $3.00



Art Dwyer leads CTAM into winds of change

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Expanding cable beyond entertainment

CableVision

August 2, 1982. Volume 7, Number 47

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'Winds of change'

CTAM '82 attracted a bevy of industry experts to its Chicago gathering and the lines of communications were wide open as attendees and speakers addressed major issues. **Leading the week, pages 12-17.**

H.R. 5158 dies

Rep. Tim Wirth unexpectedly withdrew his AT&T divestiture bill from further consideration. He cited AT&T's massive lobbying campaign as a barrier to the bill's enactment. **Leading the week, pages 12-17.**

Loretto clarified

The New York Cable Commission has interpreted the recent Supreme Court ruling to mean that landlords cannot restrict cable access. **Leading the week, pages 12-17.**

Striking support

Ed Asner and other supporters have joined Z Channel workers on the picket line in a continuing strike against Group W Cable's refusal to recognize their union. **Leading the week, pages 12-17.**

Of cities and cable

Sen. Barry Goldwater's cable legislation (S. 2172) was put under the microscope this week. Senators haggled over provisions while lobbyists for cable and the cities made their views known. **Leading the week, pages 12-17.**

Addressing converter woes

Problems with delivery and reliability of addressable converters are easing. That is the opinion of Oak Chairman E.A. Carter. **Leading the week, pages 12-17.**

Programs with punch

Entertainment and Sports Programming Network and the Professional Karate Association have teamed up for the past several years to provide programming with a special punch. Denver's Jimmy Tapia got the chance to display his wares in a recent championship bout cablecast by the network. **Page 19.**

Israeli connection

Kastel Communications has purchased up to 50 percent of the equity in National Jewish Television. In return, Kastel has become the network's principal program supplier. **Page 19.**

Maintenance woes

Unless the cable industry confronts a growing plant maintenance problem, signal leakage could prove to be the worst threat faced by the industry today. **Page 58.**

'Music in the Air'

Satellite Syndicated Systems and John Doremus Inc. have announced a joint venture to deliver "Music in the Air," a five-channel pay radio package for cable systems. **Page 59.**

Long Beach switch

Knight-Ridder has given up its never-used franchise here in exchange for a share in the system owned by its local competitor, Times Mirror. Both firms have held non-exclusive rights to wire the city. **Page 65.**

Sacramento faults

The Cable Television Information Center has questioned Cablevision Systems' innovative bid package presented for this California franchise plum. **Page 65.**

After the stall

Rep. Tom Corcoran has been tagged as the leader against H.R. 5158 and a prime factor in its sudden demise. Corcoran noted that support for the AT&T divestiture measure was not there. **Page 67.**

About the cover

CableVision Plus Editor Victoria Gits photographed Art Dwyer in a more relaxed moment during CTAM's annual meeting.

This week in *CableVision Plus*

Business communications and cable television seem to be a perfect match. But how will cable market its business capabilities and overcome the competition? In our first story, *CV Plus* examines the methods that some of cable's major contenders for business communications are using to court the non-entertainment market. Next, we look at the local loop. Although cable seems the likely candidate to provide non-entertainment services, cable operators may move too slowly to grab the market while they can. Will they drag their feet too long and lose the edge they have now? Pages 31-54.

production and teleconferencing. The company also has original cable programming in mind, but according to Video Network Manager Janette Lerman, "It's just one of those things put on hold until the economy gets better."

U.S./Canada mend some fences

WASHINGTON—Despite the fact that a bill still sits in the Senate that eliminates tax deductions for Canadian companies doing business with U.S. border broadcasters (*CV*, 6/7/82, p. 19.), Canada and the U.S are close to an agreement that, for the first time, will pave the way toward regular satellite communications between the two. The arrangement, if approved by Canadian officials, will permit low-cost business communications and data transmission. Two American companies have received FCC approval to offer services up north.

NCTA urges rejection of exclusivity bid

WASHINGTON—NCTA has asked the FCC to deny a petition by former National Telecommunications and Information Administration Chief Henry Geller to reinstate the agency's cable TV syndicated exclusivity rules and to expand its current sports telecast blackout requirement. NCTA stated that Geller did not show need for raising matters the commission considered two years ago. Geller's petition requested the FCC to reimpose its rules as a substitute for Congressional cable copyright policy, although he conceded that deciding how to allocate economic property rights between cable systems and copyright owners is an issue for Congress. Regarding the expanded blackout request, NCTA wrote in its opposition that "it is hardly in the public interest to impose a blackout provision that eliminates the benefits of competition in the marketplace for sports broadcasts."

Denver vote bid appears doomed

DENVER—A Denver Election Commission hearing officer said last week that he will recommend the commission throw out petitions seeking a cable referendum here. The decision postponed, if not ended, United's campaign to reverse the cable award that went to Mile Hi. If the commission approves Hearing Officer Philip Dufford's recommendation, it will be the third time that a Denver citizens' petition for referendum has been turned down.

Cable to link radio service

LITTLE ROCK, Ark.—Riverside Cable, the Storer system operating here, has recently completed its local interconnect, which soon will begin service for Motorola's mobile radio system serving the city. The city worked out a contract for Motorola's services and used a portion of the interconnect's capacity that was dedicated to the local government. The mobile service will provide communications links with the city's police, fire, civil defense, sanitation and government offices. The ICN is approximately 75 miles long, with a one-mile intercity loop dedicated to connect the city's main buildings.

Corrections, clarifications

Programming services subscribers counts for WTBS, WGN, and WOR were omitted from the "Cable stats" in the July 19 *CableVision*. As of May 30, 1982, WTBS counted 21,190,000 subscribers, WOR had 5,015,244, and WGN tallied 8,300,000. In last week's issue (July 26), a congressman shown in a photo regarding the H.R. 5158 mark-up was incorrectly identified. The congressman on the right is Rep. Thomas Bliley (R-Va.). The ELRA group was incorrectly identified in a "Newswire" in the same issue as the ELBA group. Last week's *CableVision Plus* inadvertently failed to identify John Wynne as Landmark's president of its broadcasting and video enterprises. In that capacity, Wynne oversees the company's broadcast stations and The Weather Channel.

On the record

WELI, Broad Street Communications' Insilco AM outlet based here, has concluded a two-year agreement with Storer Cable of Connecticut to produce "radiovision," in which WELI will produce hourly, live, 60-second local newscasts with adjacent 60-second spot availability. Broad Street will pay a monthly fee and a percentage of sales revenue to Storer.

■ AT&T is seeking competitive proposals from U.S companies to supply, by 1985, more than 1,000 miles of high-capacity fiber optic cable communications systems. The company has specified that all critical components must be manufactured and assembled domestically for public policy and national security reasons. Potential suppliers' deadline is October 19. Separate proposals are being requested for lightwave communications systems on each of five routes.

■ A partnership to honor original cable commercials was struck last week by the Cabletelevision Advertising Bureau and the Clio Awards. Ceremonies are tentatively planned for June 10, 1983, here as part of the Clios, one of the advertising industry's major award presentations.

■ As part of its new corporate image campaign featuring New York Yankees pitcher Tommy John, Blue Cross and Blue Shield has begun a series of commercials on metropolitan New York cable systems. The 30-second spots will run on CNN, ESPN, SportsChannel and USA Network for a two-week period. This marks the first time that the health insurance company has used cable in an advertising campaign.

■ The FCC has announced that it will no longer mail copies of documents to commenting parties in general rulemaking proceedings. Copies will still be mailed to petitioners, members of Congress and other governmental entities. Copies will be available for purchase. This new policy will not affect mailings in restricted rulemaking and adjudicatory proceedings.

■ In an executive shake-up at the Playboy Channel. Don Silverman has been named supervising producer, replacing Bob and Ann Shanks. The Shanks will continue to provide programming to the channel on an independent basis.

■ David Begelman has been relieved of his post as chairman of MGM/UA studios. Begelman gained notoriety after being accused of check forgery, a charge to which he pleaded no contest. Under the terms of his contract, Begelman reportedly has the right to produce three movies for MGM as an independent—for which he will receive $300,000 per picture.

■ Bravo and Group W Cable have reached agreement to launch the pay cultural service in 16 Group W systems over the next 12 months. The channel will be launched in new-build systems passing nearly 350,000 homes.

■ Showtime picked up affiliate agreements from Daniels & Associates, Cablevision Industries and Cablenet Inc. last week. The Daniels agreement covers 480,000 homes passed around the country. Cablevision Industries' contract involves 160,000 homes passed in Florida, New York, Pennsylvania and Massachusetts. Cablenet will offer Showtime as a foundation pay service in its suburban Chicago system, passing 135,000 homes.

Fransecky

■ Westinghouse Broadcasting and Cable Public Affairs Vice President Roger Fransecky will move to Home Box Office next month as vice president of corporate affairs. Fransecky joined Westinghouse two years ago.

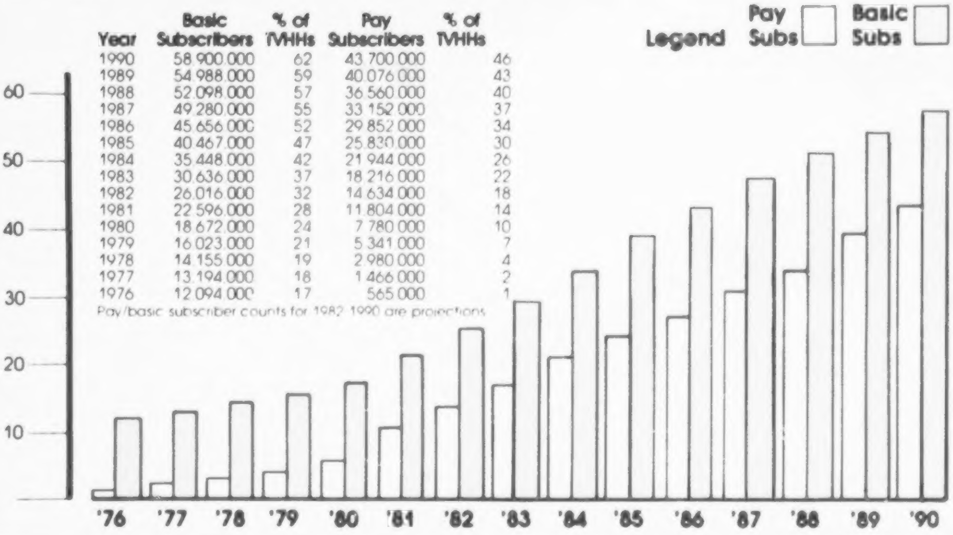
■ Television personality Richard Simmons will work out live over Warner Amex QUBE in Cincinnati July 30. Subscribers will be tested for physical fitness knowledge during the special.

■ USA Network brings a *Friday Night Fights* series to cable Aug. 20. Sites for the boxing matches include Madison Square Garden in New York and Olympic Auditorium in Los Angeles.

■ CNN Radio, the audio portion of CNN2, gains an Atlanta affiliate Aug. 1 in WCNN-AM (formerly WRNG-AM). Some 25 stations currently use CNN Radio.

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH)	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable	29.75%
Percent of HP with basic cable	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable	16.22%
Percent of HP with pay cable	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Film product comparison—August

Film	Networks					Distributor
A Global Affair		(ST)			C	MGM/UA
A Lady Takes a Chance					C	Prime TV Films
A Little Night Music			TMC			New World
A Little Romance				(HTN)	C	Warner Bros
An Enemy of the People				(HTN)	C	Warner Bros
Alien	HBO					20th Century-Fox
All The Fine Young Cannibals		(ST)		HTN		MGM/UA
The Asphalt Cowboys				HTN		Universal
Attack Force Z	HBO		TMC			Overseas Film Group
Back Roads					C	CBS
The Baltimore Bullet					C	Embassy
Barry Lyndon				(HTN)	C*	Warner Bros
Birth of the Beatles			TMC		(C)	Worldvision
The Black Pearl	HBO*			(HTN)		Columbia
Boulevard Nights					C*	Warner Bros
Breaking Glass		ST	(TMC)			Paramount
Breakthrough	HBO					Worldvision
The Brothers Karamazov				HTN		MGM/UA
Burn					C	MGM/UA
Cabo Blanco					C	Embassy
Caddie			TMC		(C)	Film Gallery
The Cannonball Run	HBO					HBO
Captain America				HTN		Universal
Captain Scarlet vs The Mysterons from Mars		ST*				ITC
Carry On, Emmanuelle		ST				Excel Video
Cheaper to Keep Her			TMC		C*	Paramount
The Children		ST	(TMC)		(C)	World Northal
Clash of the Titans	HBO		TMC	HTN		MGM/UA
Coast to Coast	HBO			(HTN)		Paramount
The Competition	(HBO)	(ST)		HTN*		Columbia
Countdown to Disaster		ST*				ITC
Conquest of the Earth				HTN		Universal
The Conqueror					C	Universal
Crossbar	HBO*					RMS
Darby O'Gill and the Little People	(HBO)	ST	(TMC)	(HTN)		Disney/Buena Vista
Deadly Blessing	HBO					PolyGram
Delta Fox			TMC			Paramount
Don't Go Near the Water		(ST)		HTN	(C)	MGM/UA
Drive-In					C	Columbia
Elvis	(HBO)	ST		(HTN)		Worldvision
The Enforcer	HBO					Warner Bros
Eye of the Needle	HBO	ST	TMC			MGM/UA
Fear No Evil					C	Embassy
First Family	HBO				(C)	Warner Bros
The Fixer					C	MGM/UA
Flash Gordon	(HBO)				C	HBO
For Your Eyes Only	(HBO)	ST*	(TMC)	HTN*		MGM/UA
Foul Play		ST	TMC*			Paramount
The Four Horsemen of the Apocalypse		(ST)		HTN		MGM/UA
Friday the 13th		ST	(TMC)			Paramount
Friday the 13th Part II	HBO	ST	TMC			Paramount
From Hell to Victory	(HBO)		(TMC)	HTN*		Worldvision
The Fun House	(HBO)	ST*				Universal
Galaxina		(ST)	TMC			Crown International
Genesis in Concert					C*	Miramax
Get Out Your Hankerchiefs					C*	Filmways
Get Rita				HTN		K-Pay
Girls in the Office					C	HBO
Give Me Liberty	HBO*					Kandel Enterprises
Goodbye, Emmanuelle					C	Miramax
The Great Texas Dynamite Chase					C	New World
The Gumball Rally					C*	Warner Bros
Hangar 18			(TMC)	HTN*		Worldvision
The Happy Hooker		(ST)			C*	Swank
The Happy Hooker Goes to Washington					C	Swank
Hardly Working	HBO*				(C)	Hardly Working Co
Hawmps	HBO*			HTN*		Viacom
Heartbeeps			TMC	HTN		Universal
Hell's Angels				HTN		Universal
Heaven Can Wait	HBO		(TMC)			Paramount
Heavens Above					C*	Viacom
The Hideaways	HBO	ST*	TMC			Telepictures
High Risk	(HBO)	ST*				Viacom
History of the World, Part One	(HBO)	ST*	(TMC)			20th Century-Fox
Hondo					C*	Batjac
Honky Tonk Freeway					C	AFD
The Hunter			(TMC)	(HTN)	C	Paramount
The Hustler of Muscle Beach					C*	HBO
I'll Cry Tomorrow		(ST)		HTN		MGM/UA
In God We Trust	(HBO)	(ST)	TMC			Universal
Inside Moves			TMC*		(C)	AFD
Invaders from the Deep		ST				ITC
It Rained All Night the Day I Left			TMC			Viacom
It's My Turn	HBO		(TMC)			Columbia
Janis					C*	Universal
J.D. and the Salt Flat Kid			TMC			Samuel Goldwyn Co
Jury of One					C	Embassy
Knightriders			TMC			United Film
La Cage Aux Folles II		ST*			(C)	MGM/UA
The Last Time I Saw Paris		(ST)		HTN		MGM/UA
Leave Yesterday Behind					C*	HBO
Lipstick		ST*				Paramount
Looking for Mr. Goodbar		ST	TMC			Paramount

Cable stats

Film	Networks					Distributor
Loophole			(TMC)	HTN		Telepictures
Loose Shoes		ST	(TMC)			Film Gallery
Lost Horizon	(HBO)	ST				MGM/UA
Lunch Wagon		ST				Seymour Bonde
M					C	Janus
Mahogany					C	Paramount
Mad Wednesday					C*	Universal
The Maltese Bippy		ST				MGM/UA
The Man with Bogart's Face		ST		HTN*	(C)	Viacom
Massacre at Central High	HBO	(ST)	(TMC)			Viacom
McVicar			TMC*			Crown International
My Bloody Valentine	(HBO)		TMC*			Paramount
Mysterious Stranger			(TMC)	HTN		Viacom
Never Never Land			TMC			Thorn EMI
The Night the Lights Went Out in Georgia	HBO*					Viacom
Nightmare					C	HBO
No Nukes					C	MUSE
The Octagon					C	ACI
The Odd Angry Shot			TMC*			Atlantic
Oh Heavenly Dog					C*	Mulberry Square
Only When I Laugh	HBO					Columbia
The Other Side of the Mountain, Part II	HBO		(TMC)	(HTN)	(C)	Universal
The Outlaw				HTN	(C)	Universal
Outlaw Blues		ST*		(HTN)	(C)	Warner Bros
Papillon					C	Lorimar
Pictures			TMC			New Zealand Film
The Pilot			TMC	(HTN)		Atlantic
The Pinchcliffe Grand Prix		(ST)			C	G.C
Popeye		(ST)		HTN*		Paramount
The Private Eyes				HTN*	(C)	HBO
Raggedy Man	(HBO)	ST	(TMC)	(HTN)		Universal
Requiem for a Heavyweight				HTN		Enter-Tel
Richard Pryor in Concert					C	HBO
Royal Wedding		ST*		(HTN)		MGM/UA
Running Scared	HBO*					Running Scared Co
S.O.B.	(HBO)	ST*	TMC*			Lorimar
Saturday the 14th	(HBO)	ST	TMC			New World
Scout's Honor	HBO					HBO
Search and Destroy	(HBO)	ST				Viacom
Seems Like Old Times	(HBO)	ST	TMC	HTN*		Columbia
Seniors		ST				ALP
Separate Ways			TMC		(C)	Crown International
Serial		ST*	(TMC)			Paramount
Shipwreck		ST			C	Warner Bros
Shogun Assassin					C*	New World
Silver Streak	(HBO)	(ST)		HTN		20th Century-Fox
Sitting Ducks			TMC			United Film
Soldier of Orange		ST				Samuel Goldwyn Co
Something Short of Paradise	HBO					Filmways
The Spiral Staircase	HBO			(HTN)		Warner Bros
Spirit of St. Louis				(HTN)	C	Warner Bros
SST: Disaster in the Sky	HBO*					HBO
St. Helens	HBO					Michael Murphy
Stardust Memories		ST	(TMC)			MGM/UA
Star Trek: The Motion Picture	(HBO)	(ST)	TMC*			Paramount
Strange Behavior		ST*				World Northal
The Stratton Story		ST				MGM/UA
The Street Fighter			TMC			Film Gallery
Student Bodies			TMC			Paramount
Sweet Sugar		ST				Swank
Take the High Ground		ST				MGM/UA
The Talking Whale					C	ITC
Tarka the Otter		ST		HTN*		Satori
Tarzan, The Ape Man	HBO	ST	TMC			MGM/UA
Terror Train	(HBO)	(ST)	TMC			20th Century-Fox
This is Elvis		ST	(TMC)	HTN*		Warner Bros
Thunderbirds in Outer Space		ST*				ITC
Three Warriors			TMC			Film Gallery
Tim		ST	TMC	(HTN)		Satori
Toby and the Koala Bear		(ST)	(TMC)		C*	Satori
Treasure Island		ST		HTN*		Warner Bros
The Trouble with Girls		ST				MGM/UA
Two Way Stretch					C*	Alan Enterprises
The Ultimate Imposter				HTN		Universal
Under the Rainbow	HBO	ST	TMC			Warner Bros
The Unseen		ST				Viacom
Up River		ST*	(TMC)		(C)	Gold Key
Victory	HBO	ST	TMC	HTN		Lorimar
The Water Babies			TMC			Scott Moger
The Way We Were		(ST)		(HTN)	C	Columbia
Willy Wonka and the Chocolate Factory	HBO			(HTN)		Warner Bros
Wolfen	(HBO)	ST*	TMC*			Warner Bros
Women in Love					C	MGM/UA
Young Joe, The Forgotten Kennedy					C	HBO
Zoot Suit			TMC			Universal

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in March, April, May, June and/or July

■ An asterisk following a network indicates the film is a carry-over from March, April, May, June and/or July

■ In total, 178 films appear on the August schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (March-August 1982), six films have appeared on four of the five services, 27 on three and 54 on two services. Eighty-seven films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 22, followed by Paramount with 17 and Warner Brothers with 16.

■ "Tarzan, The Ape Man" gets a portion of the August HBO/Cinemax, Showtime and The Movie Channel program guide covers. "Eye of the Needle" shares The Movie Channel and Showtime covers with "Tarzan." The Movie Channel guide also features stars from other films shown during the month. "The Cannonball Run" appears on the HBO and HBO/Cinemax guide covers. Also on the HBO/Cinemax cover: a festival of Steve McQueen Films and "Victory." The Sylvester Stallone soccer tale has a cover of its own with Home Theater Network Plus.

Top 20 MSOs

Rank	Multiple System Operator	Subscribers
1	Tele-Communications Inc	1,900,000
2	American Television and Communications	1,900,000
3	Group W Cable	1,710,425
4	Cox Cable Communications	1,131,981
5	Storer Cable Communications	1,000,115
6	Warner Amex Cable Communications	943,500
7	Times Mirror	691,225
8	Newhouse Broadcasting[1]	618,723
9	Rogers-UA Cablesystems	610,874
10	Viacom Cablevision[2]	543,098
11	Continental Cablevision	505,000 (5/31)
12	United Cable Television Corp	494,624
13	Sammons Communications	484,631
14	TeleCable Corp	320,000
15	Capital Cities Cable	303,062
16	General Electric Cable Corp	300,000
17	Heritage Communications	251,476
18	Comcast Corp	239,284
19	Cablevision Systems Development	236,000
20	Liberty Communications	233,000

[1] Includes Metrovision, NewChannels, Vision Cable
[2] Includes 40% ownership in Nor-Cal Cable

Top 20 systems

Rank	Location	Operator	Subscribers
1	San Diego, Calif	Cox Cable	218,902
2	Manhattan, N.Y	ATC	156,675
3	Oyster Bay (Long Island), N.Y	Cablevision Systems	156,000
4	West Orange, N.J	Maclean Hunter	137,574
5	San Antonio, Texas	Rogers-UA Cablesystems	111,621
6	Wayne, N.J	Rogers-UA Cablesystems	106,051
7	Los Angeles, Calif	Group W Cable	104,750
8	Tulsa, Okla	United Cable	100,936
9	Audubon, N.J	NYT Cable	93,933
10	Erie County, N.Y	Prime Cable	93,683
11	San Jose, Calif	Gill Industries	90,283
12	Tidewater, Va	Cox Cable	87,802
13	Austin, Texas	ATC	83,500
14	Central Islip, N.Y	Viacom	82,447
15	Orlando, Fla	ATC	76,100
16	Jefferson Parish/Kenner, La	Cox Cable	75,164
17	Grand Rapids, Mich	General Electric	71,100
18	Hartford/Meriden, Conn	Times Mirror	71,084
19	Toledo, Ohio	Buckeye Cablevision	70,447
20	Manhattan, N.Y	Group W Cable	70,210

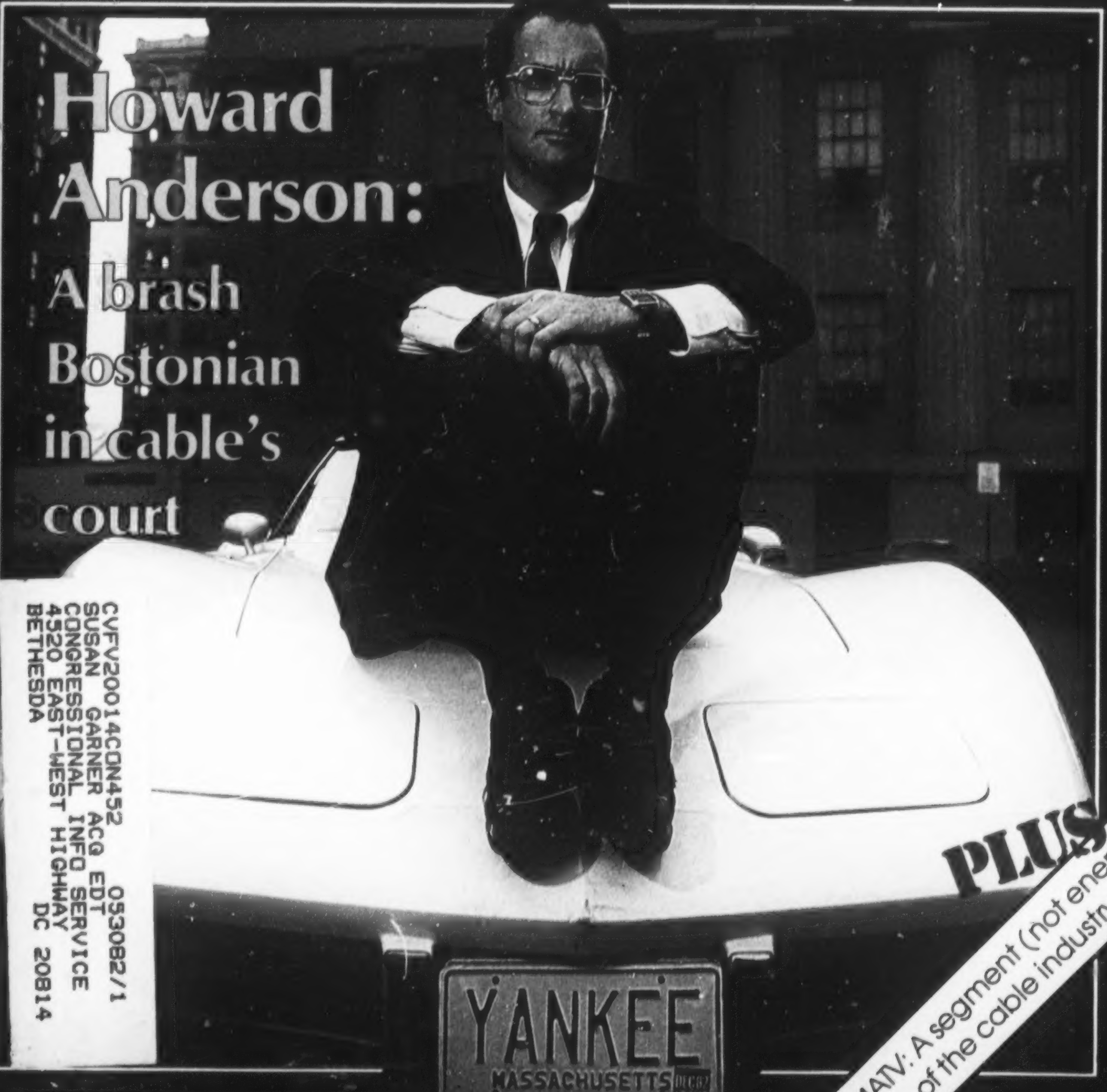
Note: Subscriber counts for MSOs and systems are as of 6/82 unless noted otherwise

C8920-2 8/6/82

- Cable ad men look to political dollars
- Cash-hungry PBS seeks infusion via pay TV
- NYC franchising process nearing climax
- Addressable converter manufacturers tackle 'bugs'

CableVision

The news and features weekly of the cable television industry August 9, 1982 $3.00



Howard Anderson: A brash Bostonian in cable's court

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Notable birthday

Warner Amex's Music Television celebrates its first birthday. Although only one year old, it has made its mark. **Page 18.**

Birds for sale

The FCC approved domestic satellite transponder sales that may open a new era of privately owned and operated satellite supermarkets. **Leading the week, pages 13-16.**

Public offering

The failure of St. Paul to get citizen approval to own its cable system has not dampened the spirits in other cities and towns. A look at the process in Cleveland, Cambridge, Mass., and Palo Alto, Calif. **Leading the week, pages 13-16.**

Big Apple cable

There's light at the end of the long New York City cable tunnel, says Franchise Chief Morris Tarshis. Some issues remain to be solved, however, before the Big Apple's four unwired boroughs are awarded. **Leading the week, pages 13-16.**

Public goes pay

Cash-hungry public television sees a potential jackpot in marketing its productions to pay cable and STV, with Warner Amex figuring in one arrangement. **Leading the week, pages 13-16.**

Back on file

Another complaint from SIN reached the FCC last week—this one against Western Union. When SIN wanted to go from Westar IV to V, states the complaint, Western Union turned thumbs down. **Leading the week, pages 13-16.**

Lost award

CATV West won a cable franchise for the Orange County city of Hawaiian Gardens. Last week, amid charges of an inadequate proposal and an unfair bidding process, the citizens of the city voted to strip the company of its award. **Leading the week, pages 13-16.**

'Service with a difference'

Cinemax marketing officials are attempting to strengthen the 24-hour movie network's image by addressing subscribers' concerns about duplication. **Page 22.**

Bringing it home to cable

The Cabletelevision Advertising Bureau has begun a push to bring more political advertising into the cable arena. **Page 26.**

Addressing the problems

The leading addressable converter manufacturers, still battered by the effects of first generation failures, say the second generation units offer some relief from the early 'bugs.' **Page 57.**

County conflict

Fairfax County, Va., after four years of debating the cable issue, has chosen Media General for the 15-year franchise. However, the process may be far from over. **Page 60.**

A role in history

The Justice Department's *U.S. vs. AT&T* trial staff, awaiting Judge Greene's verdict, share their thoughts on the historic case. **Page 63.**

About the cover

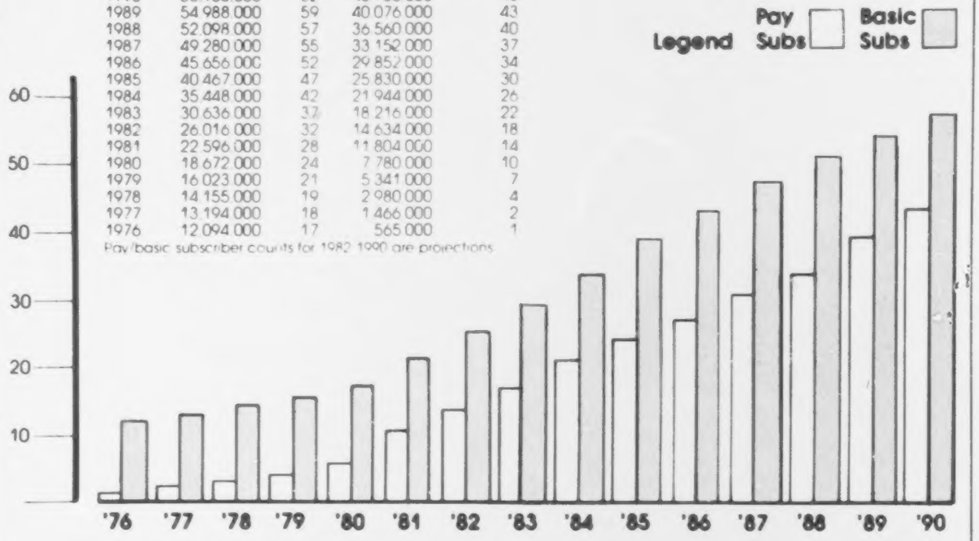
The Yankee Group's Howard Anderson was photographed in front of the Customs House in Boston by freelance photographer Rick Friedman.

This week in *CableVision Plus*

Cooperation and joint venture with AT&T are what Howard Anderson, president of The Yankee Group, sees ahead for cable. In a conversation with *CV Plus* Editor Victoria Gits, Anderson discusses cable's advantages and disadvantages over the telephone companies and concludes that the two industries will "make their peace" with each other. Craig Leddy examines the SMATV industry, or "private cable," as they prefer to be known. The claim they are not the adversary to cable that their lawsuit leads some to believe. Finally, we take a look at what the New York State Commerce Department is doing to expand the state's role in the cable industry from a bit part to what they someday hope will be a leading role. **Pages 31-54.**

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Franchising in the top 50 markets

Rank	Market	Status of core city
1.	New York	Manhattan-OP; four unwired boroughs-FP.
2.	Los Angeles	City is divided into 14 areas (A-N); 11-FG, 3-FP.
3.	Chicago	City is divided into five areas; FP
4.	Philadelphia	City is divided into N,S,E,W. S-OP; other three FP
5.	San Francisco	OP (system to be upgraded).
6.	Boston	FG
7.	Detroit	BP
8.	Washington, D.C.	LNA
9.	Cleveland	BP
10.	Dallas/Ft. Worth	Two systems-OP
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/St. Paul	FG/FP
14.	St. Louis	BP
15.	Seattle/Tacoma	City is divided into five parts (3 OP/1 FP/1 BP); Tacoma-OP.
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/St. Petersburg	FP/OP
19.	Baltimore	BP
20.	Denver	FG
21.	Indianapolis	Two systems OP
22.	Sacramento/Stockton	FP/OP
23.	San Diego	OP
24.	Portland	City is divided into three parts (2-OP/1FG).
25.	Kansas City	OP
26.	Hartford/New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FG
29.	Buffalo	OP
30.	Nashville	OP
31.	Phoenix	OP
32.	Columbus	Four systems-OP
33.	Providence/New Bedford	LNA/OP
34.	Memphis	OP
35.	Charlotte	OP
36.	New Orleans	FG
37.	Greenville/Asheville/Spartansburg	Three systems-OP
38.	Grand Rapids/Kalamazoo/Battle Creek	Three systems-OP
39.	Oklahoma City	OP
40.	Orlando/Daytona Beach	Two systems-OP
41.	Raleigh/Durham	Two systems-OP
42.	Louisville	Two systems-OP
43.	Charleston/Huntington	Two systems-OP
44.	Birmingham	OP
45.	Salt Lake City	OP
46.	Harrisburg/York/Lebanon/Lancaster	Four systems-OP
47.	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48.	Wilkes Barre/Scranton	Two systems-OP
49.	Albany/Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Legend

OP—operational.
FG—franchise granted.
FP—franchise pending.
BP—beginning process.
LNA—little or no action.

Franchising calendar

This chart examines the franchise status of communities during the second quarter of 1982 "Pending" refers to communities that are in the franchising process but have yet to make an award

California
Alameda—award to United Cable Television Corp 4/82 (27 802 homes)
Bellflower—award not expected until December
Davis—looking into a cooperative
East San Fernando Valley—Valley Cable rated first by CTIC ([illegible] 000 homes)
East Yolo—pending
El Monte—Teleprompter (Group W) selected to negotiate franchise
Grand Terrace—pending
Hacienda Heights West Whittier Bassett Valinda Whitter Narrows—award to United Cable Television Corp
Hawthorne-awarded to Group W
Harbor City Wilmington San Pedro—award to Colony/Harbor Cablevision (27 000 homes)
Lakewood—award expected 9/28/82
Lomita—award expected 8/82 (8 136 homes)
Los Alamitos—awarded to California Cable Systems 5/10/82
Los Altos—beginning to study feasibility report due in September
Los Angeles South Central Region—city of Los Angeles accepting proposals (180 000 homes)
Palo Alto—city council still discussing possibility of a municipally owned system
Pico Rivera—voters elected in referendum not to grant a franchise to California Cablevision Inc
Sacramento—award expected 9/82 between four applicants (300 000 homes)
San Buenaventura—beginning to study feasibility
San Fernando—city council selected Valley Cable to negotiate franchise 6/21/82
South Whittier—award expected 8/82 (1 700 homes)
Tulare—award to Scripps-Howard (80%) and Mickelson Media (20%)

Colorado
Denver—award to Mile Hi Cablevision
Greenwood Village—Mountain States Video selected in public referendum 7/13/82 (1 600 homes)
Longmont—award to Longmont Communications Corp (Scripps-Howard Broadcasting) 5/82
Northglen—proposals due 9/16
Platteville—proposals were due 7/15/82
Wheat Ridge—voters approved franchise award to ATC 6/23

Connecticut
Windham Lebanon Scotland et al (cable area 13)—applications being submitted to PUC
Vernon Consortium (cable area 12)—award awaits decision by PUC

District of Columbia
District council approved cable bills RFP to be released spring 1983

Florida
Pinellas County—award to Vision Cable of Pinellas Inc (10 000 homes)
Tampa—four applicants (Cox Storer Tribune Cable and Knight-Ridder/TCI) have submitted bids recommendations expected by 9/82
Walden Lake—pending

Illinois
Addison West Chicago Winfield Warrenville Aurora (unic DuPage County Areas)—county negotiating with Centel
Bensenville—final negotiations with Continental in progress
Chicago—proposals due 8/31/82 city divided into five franchise areas
Countryside La Grange La Grange Park Indian Head Park Riverside—pending
Downer's Grove Darien Woodridge Lisle (unic DuPage County areas)—county negotiating with Cablevision of Chicago
Glen Ellyn (unic DuPage County areas)—county negotiating with Group W Cable
LaGrange Countryside LaGrange Park Indian Head Park Riverside—Centel rated first
Lincolnwood—pending
Lombard Oakbrook Terrace Elmhurst (unic DuPage County areas)—county negotiating with Continental
Naperville—applications due 8/2/82
Riverdale—village board awarded Continental a 15-year franchise
Wentzville—surveying residents' interest in cable
Westmont—proposals were due 7/30/82
Wood Dale Itasca Bloomingdale Rosell Carol Stream (unic DuPage County areas)—county negotiating with MetroVision

Indiana
Elmora—award to Quality CATV
Gaston—award to Quality CATV
Grant County—award to Quality CATV
Hebron—drafted new ordinance five applicants
Lyons—award to Quality CATV
Munster—US Cable selected to negotiate franchise 6/28 (6 948 homes)
Roachdale—award to Quality CATV
Thorntown—pending
Zionsville—award to Omega of Zionsville 4/5/82 (4 000 homes)

Maine
Caribou—proposals were due 7/30/82

Maryland
Baltimore—RFP expected by end of summer
Montgomery County—award expected 9/82 three top applicants are Montgomery Cable Communications-Times Mirror Tribune-United and Viacom

Massachusetts
Abington—pending
Acton—advisory committee report released soon
Ayer—award expected fall 1982
Bedford—award to Adams-Russell (3 813 homes)
Bourne—three applications being reviewed by Citizens Advisory Committee
Braintree—award expected about 9/82 six applications
Bridgewater—pending
Cohasset—proposals due 9/14/82
Danvers—award to Rollins Cablevision of Massachusetts
Dedham—pending 8 companies applied
Hingham—proposals due 8/13/82
Holbrook—pending
Holliston—advisory report due in September four companies applied
Hopedale—pending
Hull—award expected 12/8/82
Lancaster—proposals were due 7/16/82 (4 000 homes)
Martha's Vineyard—award to Dukes County Cable TV
Medway—pending (2 500 homes)
Merrimac—pending
Nahant—proposals due 9/23/82
Needham—awarded to Continental 7/82 (8 000 homes)
Northborough—applications due 8/2/82
Norwell—pending
Rockland—pending
Scituate—award expected 9/82
Shrewsbury—award to Shrewsbury Electric Light Plant (9 000 homes)
Stoughton—pending
Walpole—pending
Waltham—pending
Wellesley—pending
Westborough—pending
West Newbury—pending
Whitman—pending (3 500 homes)

Michigan
Detroit—mayor has appointed seven-member cable television commission RFP being prepared
Marquette—pending
Romeo—pending

Minnesota
Afton Cottage Grove St Paul Park et al (South Washington County Cable Commission)—working on RFP (6 000 homes)
Arden Hills Little Canada Roseville et al (North Suburban Cable Commission)—award to Group W 4/82 (44 000 homes)
Arlington Gaylord Winthrop Gibbon Green Isle—proposals due 8/2/82
Burnsville—tentatively working with Eagan on RFP
Chanhassen—assessment not yet complete (2 285 homes)
Deephaven Excelsior Greenwood Sherwood Tonka Bay Victoria Woodland—assessment not yet complete (5 467 homes)
Forest Lake New Scandia Columbia—proposals due 9/10/82
Hastings—award expected 8/2/82 (5 000 homes)
Kasson—award to Group W
Minneapolis—Rogers/Storer arrangement approved and in final negotiations
Northfield City and Township—award expected 8/82
Olivia—award to North America Communications Corp
Owatonna—pending
Princeton Rush City Mora Milaca Cambridge Braham North Branch Branch Pine City Isanti Townships Pine City Chengwatana Milaca Bradford Spencer Brook Pokegama Isanti Arthur (East Central Cable Commission)—proposals were due 7/1/82 (8 700 homes)
Prior Lake—expect to complete needs assessment early July
Ramsey/Washington County—proposals were due 7/22/82 (33 568 homes)
Roseville—award to Teleprompter Corp 4/2/82 (42 000 homes)
St Paul—hopes to make award within six months
Savage—assessment not yet complete (1 272 homes)
Shakopee—city council's decision expected soon
Stillwater Bayport Oak Park Heights (Central St Croix Valley area)—RFP not yet completed
Wayzata—pending
West St Paul (North Dakota County Cable Service Territory)—pending (31 000 homes)
Windom—beginning to study feasibility (1 600 homes)

Missouri
Claycomb—pending
Glenaire—pending
Herculaneum—award to US Cable
Jefferson City—award to TCI 4/20/82 (13 000 homes)
Pevely—award to US Cable
Pleasant Valley—pending
Riverside—pending
St Louis—pending
Vandalia—proposals due 7/15/82

New Hampshire
Hampstead—pending
Kingston—proposals due 8/25/82
Londonderry—pending
Plaistow—public hearing July 28 five applicants

New Jersey
Jersey City—pending
Paterson—pending
Princeton—administrative law judge approved Dow Jones award in borough in Princeton but not for entire Princeton Township
Upper Deerfield Cumberland City—pending

New York
Harrison—award to Adams Russell
New York City—borough negotiations still in progress
Union Springs Aurora Aurelius Cayuga County Ledyard Springport—award to Cablevision Industries
Westfield—award to US Cable 4/82 (4 500 homes)

North Carolina
Bethel Robersonville—proposals due 8/20/82
Davie County—pending

Ohio
Bentleyville—award to Matrix Enterprises Inc
Brecksville—city council awarded franchise to Complexicable (126 homes)
Brooklyn—pending
Cleveland—pending
Garfield Heights—pending
Middleburg Heights—pending
Middlebury—mayor vetoed legislation which had rescinded city's agreement with Space Cable
Newtown—pending
Whitehouse—award to Community Cable TV Inc

Oregon
East Multnomah County—award to Viacom 4/15/82
McMinnville—pending
Milwaukie—pending

Pennsylvania
Philadelphia—RFP expected soon for four franchise areas Area I-South Philadelphia Center City Area II-area west of Schuylkill River Area III-Northwest Area IV-Northeast

Rhode Island
Newport Middletown Portsmouth Tiverton Little Compton (Area 7)—pending

South Carolina
Anderson County—pending

Texas
Azle—pending
Plano—Storer award overturned by public referendum 4/3/82

Virginia
Dinwiddie County—pending
Fairfax County—award to Media General Inc 7/25/82 (200 000 homes)
Goochland County—pending
York County—award to Continental Cablevision

Washington
Granger Toppenish Wapato Zillah—pending
Seattle—RFP issued for central district award expected 8/82 RFP for downtown business district is being prepared

Wisconsin
Kenosha—proposals due 7/12/82
Milwaukee—award to Warner Amex (252 000 homes)

- Factions entrenched in S. 2172 lobbying fight
- MPAA action complicates copyright chaos
- Executive shuffle at Playboy may produce new look
- SMATV operators ready to unleash own channel

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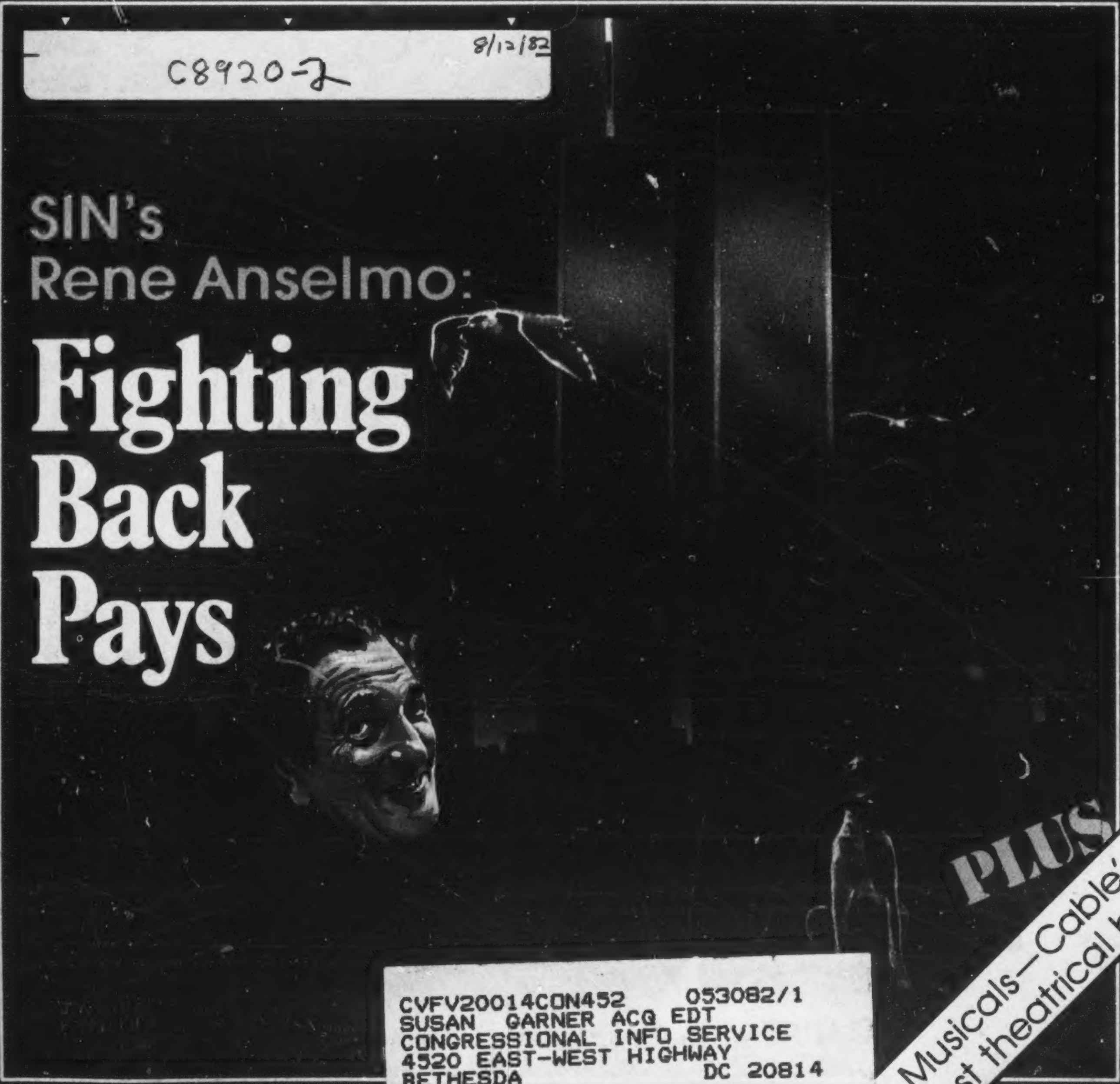

SIN's Rene Anselmo:

Fighting Back Pays

PLUS Musicals—Cable's best theatrical bet?

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EWTN milestone

Mother Angelica is pleased with the results of the first year of the Eternal Word Television Network. Some may term the results a miracle, but it may be a case of following "whatever the Lord gives me." **Page 20.**

Copyright chaos

As the NCTA and sports claimants end testimony before the Copyright Royalty Tribunal, questions continue over the division of payments. Meanwhile, the Motion Picture Association of America has thrown a monkeywrench into the works. **Leading the week, pages 12-15.**

Executive shake-up

Former NBC programming chief Paul Klein is the new president of the Playboy Cable Network. He's bringing with him a stepped-up commitment to original programming—one that may alter radically the look of the service. **Leading the week, pages 12-15.**

Community control

The Santa Monica, Calif., City Council, one of the nation's most liberal local governments, passed two resolutions last week that it hopes will provide more community control over the local cable system. **Leading the week, pages 12-15.**

Las Vegas complaint

Nevada Pay TV here has filed a complaint with the Public Service Commission charging its cable competitor with unfair pricing policies. **Leading the week, pages 12-15.**

Networks' adjustments

CBS and ABC are taking strides toward alternative delivery of their programming. CBS and Contemporary Communications Corp. are planning a multipoint distribution service and the FCC has approved ABC's Home View Network. **Leading the week, pages 12-15.**

SMATV battle plan

A new trade association comprised of SMATV operators is challenging the programming services that won't sell those services by developing plans for a co-produced movie/entertainment satellite channel. Johnny Carson's nightclub producer is playing a key role, but officials say Carson won't. **Leading the week, pages 12-15.**

ESPN counterpunching

ESPN is putting together a new primetime series of Saturday night boxing to compete with WTBS' live football package. Assisting in that effort are fight specialists, some of whom are already in the television game. **Page 17.**

Nikon focus

Nikon is sponsoring a new cable venture called *The Photographer's Eye*. The 26-part half-hour series will be a test for the large photographic firm as well as a theory examination for creator Tom Greer. **Page 24.**

Clustering by design

An emerging new trend by MSOs to consolidate their holdings is surfacing as an answer to questions created by current economic demands. **Page 49.**

Sacramento shortcomings

Three of the four bidders in the franchise process here claim that a preliminary evaluation of the proposals was found lacking in several areas. **Page 56.**

Lobbying wars

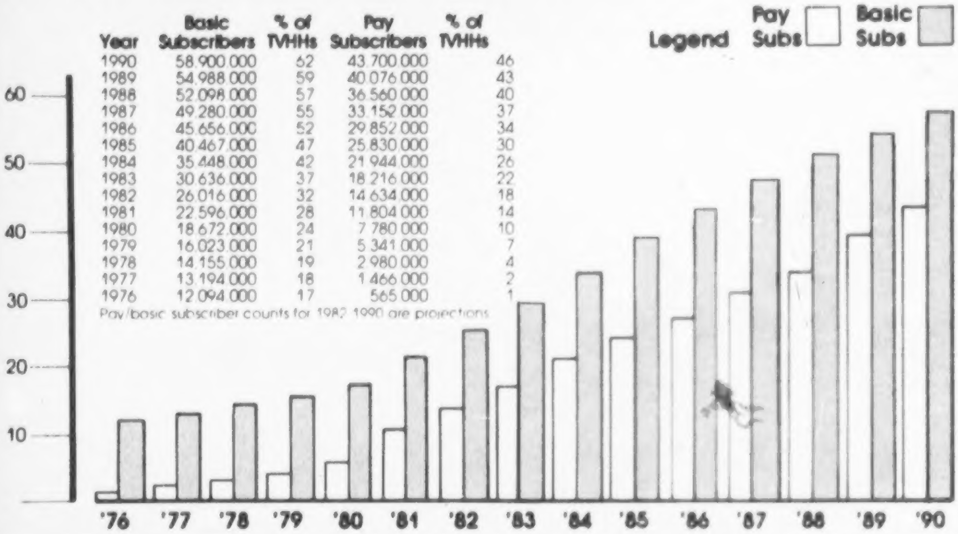
Cable representatives and city officials are digging in on opposite sides of the issues generated by S. 2172. Both sides are employing grassroot support tactics to generate a fierce lobbying effort in Congress. **Page 59.**

This week in *CableVision Plus*

This week's *Plus* takes a theatrical turn in its look at programming, from Rene Anselmo's antics to Broadway musicals on cable. In our first story, we examine Anselmo's history of outrageous letters and stunts, and hear his view on SIN's present status, its purpose and the reason for its firm stand on all-Spanish programming. Next, we head for the Great White Way. *Camelot* may be as different from *Sweeney Todd* as the lusty month of May and Sir Thomas Malory are from murder and meat pie, but both may find a most congenial spot on cable. Eric Taub looks at HBO's production of *Camelot* and The Entertainment Channel's *Sweeney Todd*. Finally, Taub interviews Lorimar's Lee Rich and Michael Brandman, who discuss what's involved in production and programming for cable as opposed to network television and what they see is needed for cable programming. **Pages 25-48.**

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Satellite-fed cable programming services

Basic services	Affiliates*	Subscribers*	% change in subs from 5/30	
Alpha Repertory Television Service (ARTS)	1.650	7,300,000	+2.7	
Appalachian Community Service Network (ACSN)	221	1.535,092	+1.6	
Black Entertainment Television (BET)	865	9,800,000	+7.7	
Cable News Network (CNN)	2.401	13,855,000	N.C	
CNN2	170	1,300,000	+8.3	
Cable Satellite Public Affairs Network (C-SPAN)	1,000	11,000,000	N.C	
CBS Cable	502	5,000,000	N.C.	
Christian Broadcasting Network (CBN)	3,050	17,000,000	+2.4	
Daytime	385	5,608,247	N.C.	
Dow Jones Cable News	48	550,00	+2.8	
Electronic Program Guide (EPG)	28	300,000	—	
Entertainment and Sports Programming Network (ESPN)	4,055	16,906,159	+2.9	
Eternal Word Television Network	32	437,000	+7.4	
Financial News Network(FNN)	22	444,000	N.C.	(6/22)
Modern Satellite Network (MSN)	375	4,600,100	+3.4	
Music Television (MTV)	600	4,000,000	N.C.	
National Christian Network[1]	50	746,228	+42.4	
National Jewish Television	97	2,146,100	+12.6	
Nickelodeon	1,725	7,700,000	N.C.	
North American Newstime/ The Travel Channel	114	876,000	N.C.	
PTL Television Network	600	5,600,000	+1.8	
Reuters News View	400	3,800,000	N.C.	
Satellite News Channel I	300	2,600,000	N.C.	(6/22)
Satellite Program Network (SPN)[2]	478	4,970,831	+5.1	
SIN National Spanish Television Network[3]	198	30,367,300	+23.2	
Trinity Broadcasting Network[4]	213	2,650,000	+66.9	
USA Network	2,000	12,000,000	+9.0	
The Weather Channel	485	4,600,000	+2.2	
WGN	2,963	8,976,000	+6.8	
WOR	1,327	4,911,148	N.C	
WTBS	4,252	21,190,000	N.C.	

Basic audio services

Lifestyle	64	750,000	N.C.
WFMT	143	834,350	-1.9

Pay services

Pay services	Affiliates*	Subscribers*	% change in subs from 5/30
Bravo	33	63,293	+11.3
Cinemax	900	1,500,000	N.C.
The Entertainment Channel[5]	N.A.	N.A.	—
EROS	7	35,000	+4.0
Escapade/Playboy	158	252,146	+5.0
GalaVision	134	100,000	N.C.
Home Box Office (HBO)	3,600	9,000,000	N.C.
Home Theater Network Plus[6]	275	155,000	N.C.
Home Theater Network Plus[7]	N.A.	N.A.	—
The Movie Channel (TMC)	2,150	2,200,000	N.C.
Showtime	1,500	3,300,000	+1.0

* Affiliate and subscriber counts are as of June 30, 1982, unless otherwise noted.

[1] Subscriber count updated from recent poll.

[2] Subscriber count denotes households receiving signal.

[3] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 3,986,500.

[4] Subscriber count updated from March 1982.

[5] Launched 6/21/82.

[6] Off air 6/30/82.

[7] Launched 3/1/82; subscriber counts not yet tallied.

N.C. designates no change.

N.A. designates not available.

Announced satellite-fed cable services	Projected launch date
ABC/ESPN Pay Service	4th quarter 1982
Apollo Satellite Television	T.B.A.
The Buena Vista Channel	1st quarter 1983
Cable Newspaper Corporation	1/83
Cableshop	4/83
Catholic Telecommunications Network	9/82
Christian Media Network	relaunch T.B.A.
Cinemerica	T.B.A.
The Disney Channel	2nd quarter 1983
Family Programming Network	T.B.A.
Heartbeat Media Network	4th quarter 1982
Home Music Store (audio)	1983-84 launch
The Job Channel	T.B.A.
Kidvid Network	10/82
Lewmark Productions Music Channel	T.B.A.
Magicable	3rd quarter 1984
Nashville Network	2/83
National Jazz Network	1982
PBS Cable	T.B.A.
Penthouse Entertainment Network	T.B.A.
Satellite News Channel II	2nd quarter 1983
Sitcom Channel (Channeltainment)	1st quarter 1984
Spanish Universal Network	7/82
SPN/International Network	T.B.A.
SPN/Financial-Religious Network	T.B.A.
SPN/Classic Movie Network	T.B.A.
SPN/How-To Network	T.B.A.
Top Entertainment Network	T.B.A.
United Satellite Television Network (4 services)	1st quarter 1983
UTV Cable Network	1/83
Video Concert Hall	7/82
Window	T.B.A.

Satellite-fed services—six-month review

Basic services	December 30, 1981		June 30, 1982	
	Affiliates	**Subscribers**	**Affiliates**	**Subscribers**
Alpha Repertory Television Service (ARTS)	1,500	6,000,000	1,650	7,300,000
Appalachian Community Service Network (ACSN)	212	1,385,628	221	1,535,092
Black Entertainment Television (BET)	812	8,952,320	865	9,800,000
Cable News Network (CNN)	1,953	11,033,500	2,401	13,855,000
CNN2	68	780,000	170	1,300,000
Cable Satellite Public Affairs Network (C-SPAN)	1,200	11,000,000	1,000	11,000,000
CBN Cable	3,300	14,700,000	3,050	17,000,000
CBS Cable	250	3,000,000	502	5,000,000
Daytime	N.A.	Launch 3/15/82	385	5,608,247
Dow Jones Cable News[1]	N.A.		48	550,000
Electronic Program Guide (EPG)	N.A.	Launch 3/1/82	28	300,000
Entertainment and Sports Programming Network(ESPN)	3,189	14,138,373	4,055	16,906,159
Eternal Word Television Netw	23	300,000	32	437,000
Financial News Network (FNN)	7	250,000	22	444,000
Modern Satellite Network(MSN)	541	4,100,000	375	4,600,000
MTV: Music Television	300	2,500,000	600	4,000,000
National Christian Network	25	304,434	50	746,228
National Jewish Television	73	1,661,075	97	2,146,100
Nickelodeon	1,350	6,200,000	1,725	7,700,000
North American Newstime/The Travel Channel	115	884,000	114	876,000
PTL Television Network	465	4,400,000	600	5,600,000
Reuters News View	342	3,500,000	400	3,800,000
Satellite Program Network (SPN)[2]	414	3,658,904	478	4,970,831
SIN National Spanish Television Network[3]	160	21,343,490	198	30,367,300
Satellite News Channel	N.A.	Launch 6/21/82	300	2,600,000
Trinity Broadcasting Network	140	1,271,562	213	2,650,000
USA Network	1,750	10,000,000	2,000	12,000,000
The Weather Channel	N.A.	Launch 5/82	485	4,600,000
WCN	2,353	7,869,703	2,963	8,976,000
WOR	1,226	4,705,350	1,327	4,911,148
WTBS	3,869	19,560,000	4,252	21,190,000
Basic audio services				
Lifestyle	30	300,000	64	750,000
WFMT	109	659,093	143	834,350
Pay services				
Bravo	25	47,000	33	63,293
Cinemax	600	1,000,000	900	1,500,000
The Entertainment Channel	N.A.	Launch 6/21/82	N.A.	N.A.
EROS	N.A.	Launch 5/82	7	35,000
Escapade/Playboy	90	185,000	158	252,146
GalaVision	122	95,000	134	100,000
Home Box Office	3,300	8,500,000	3,600	9,000,000
Home Theater Network[4]	275	155,000	275	155,000
Home Theater Network Plus	N.A.	Launch 3/1/82	N.A.	N.A.
The Movie Channel	1,500	1,750,000	2,150	2,200,000
Showtime	1,300	2,860,000	1,500	3,300,000

[1] Dow Jones Cable News is new to the programming chart as of 5/82
[2] Subscriber count denotes households receiving signal
[3] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 3,936,500
[4] Home Theater Network off air (6/30/82)
N.C. designates no change
N.A. designates not available

Subscriber growth ranking

Service	**Subscriber change**	**% change**
SIN	8,973,900	+41.9
CNN	2,821,500	+25.6
ESPN	2,767,786	+19.6
CBN Cable	2,300,000	+13.5
CBS Cable	2,000,000	+66.7
USA Network	2,000,000	+20.0
WTBS	1,630,000	+8.3
MTV	1,500,000	+60.0
Nickelodeon	1,500,000	+24.2
Trinity	1,378,438	+108.4
SPN[1]	1,311,927	+35.9
ARTS	1,300,000	+21.6
PTL	1,200,000	+27.3
WGN	1,106,297	+14.1
BET	847,680	+8.6
CNN2	520,000	+66.7
MSN	500,100	+12.2
Cinemax	500,000	+50.0
HBO	500,000	+5.6
Lifestyle	450,000	+150.0
The Movie Channel	450,000	+25.7
National Jewish Television	485,025	+29.2
National Christian Network	443,794	+146.7
Showtime	440,000	+15.4
Reuters News Service	300,000	+8.6
WOR	205,798	+4.4
Financial News Network	194,000	+77.6
WFMT	175,257	+26.6
ACSN	149,464	+10.8
Eternal Word Television Network	137,000	+45.7
Escapade/Playboy	67,146	+36.3
Bravo	16,293	+34.7
GalaVision	5,000	+5.3
Home Theater Network	0	0.0
C-SPAN	0	0.0
North American Newstime/The Travel Channel	-8,000	-0.1

[1] Subscriber count denotes households receiving the signals

Affiliate growth ranking

Service	**Affiliate change**	**% change**
ESPN	866	+27.1
The Movie Channel	650	+43.3
WGN	610	+25.9
CNN	448	+22.9
WTBS	383	+9.9
Nickelodeon	375	+27.7
Cinemax	300	+50.0
HBO	300	+9.1
MTV	300	+100.0
CBS Cable	252	+100.0
USA Network	250	+14.2
Showtime	250	+19.2
ARTS	150	+10.0
PTL	135	+29.0
CNN2	102	+150.0
WOR	101	+8.2
Trinity	73	+52.1
Escapade/Playboy	68	+75.6
SPN	64	+15.5
Reuters News View	58	+16.9
BET	53	+6.5
SIN	38	+23.7
Lifestyle	34	+113.3
WFMT	34	+31.1
National Christian Network	25	+100.0
National Jewish Television	24	+32.9
GalaVision	12	+9.8
ACSN	9	+4.2
Eternal Word Television Network	9	+39.1
Bravo	8	+32.0
Home Theater Network	0	0.0
North American Newstime/The Travel Channel	-1	-0.1
EROS	-2	-22.2
MSN	-166	-30.7
C-SPAN	-200	-16.6
CBN Cable	-250	-7.5

- TBS goes after NFL accord as players' strike looms
- BET assumes the status of a full-fledged network

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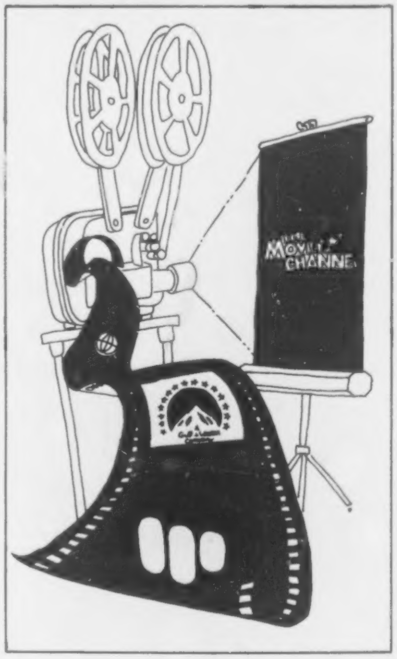


TMC buy-in

Hoping to get a bigger piece of the burgeoning pay TV revenues, three Hollywood studios are in negotiations to acquire a portion of Warner Amex's The Movie Channel. The rumored buy-in by MCA, Paramount and Warner Bros. brings back memories of the stillborn Premiere network. **Leading the week, pages 15-24.**

Bell on hold

U.S. District Judge Harold Greene is withholding his approval of the AT&T/Justice Department divestiture settlement until the two parties make alterations, including a seven-year ban on Bell's entry into the electronic publishing field. **Leading the week, pages 15-24.**

BET's rebirth

Black Entertainment Television relaunched as a full-fledged network. BET President Bob Johnson announced new advertisers, system commitments, subscriber predictions and an emphasis on urban markets. **Leading the week, pages 15-24.**

HBO wins 'battle'

Home Box Office successfully bid on a major boxing event that will match Alexis Arguello against Aaron Pryor. HBO's dollar-value counterpunching was enough to score a TKO against the broadcast networks. **Leading the week, pages 15-24.**

Turner blitz

Turner Broadcasting is going after an NFL Player Association contract in the event a strike cripples the league this fall. Also, TBS is examining plans for an *ad hoc* broadcast network in 1983 and announced the arrival of CNN Headline News and a trip to Independence, Mo. **Leading the week, pages 15-24.**

GI goes DBS

General Instrument officially announced last week in New York that it has received the necessary approvals to launch a DBS service next year. **Leading the week, pages 15-24.**

Cable on target

According to the June Arbitron Network Cable Report, cable services appear to be reaching their target audiences. **Page 43.**

Pricing policies

A *CableVision* survey of nine leading ad-supported cable networks has found considerable differences in pricing philosophy among the services. **Page 49.**

Mile high suits

Following rejection of petitions seeking a citywide referendum on the cable decision here, the fate of United's floundering attempt to wrest a cable permit from the hands of Mile Hi now rests with the courts. **Page 124.**

Prudent lending

Bankers remain high on lending money to cable operators, but they are taking a longer and closer look at the arrangements before giving the final nod. **Page 55.**

FCC—caught in the feud

Congress and the White House have squared off in a battle over the size of the FCC board. The question—is the effort to cut two seats politically or economically motivated? **Page 126.**

About the cover

J. Arthur Kenefick, Titsch illustrator, provided the graphic interpretation of the battle against time faced by cable contractors.

This week in *CableVision Plus*

As more and more illegal converters find their way into the market through service disconnects, and less-than-honest employees and mail-order houses, operators constantly have to take new tacks to protect their converters and descramblers. David Stoller takes a look at what's being done now, and what can be done. Next, as elections approach, the campaigns are beginning to gear up. To what extent will cable be involved in the process, and to what extent does it want to be involved? Finally, Victor Livingston examines Centel's Chicago interconnect, which will link five area MSOs with the most advanced interconnect system today. **Pages 73-96.**

Demographic characteristics for eight cable services*

	Sex/age groups				Income groups		
	Men 18+	Women 18+	Adults 25-54	Adults 18-34	Under $20,000	$20,000-34,999	$35,000 and over
CNN	47	53	58	39	43	33	24
CBN	46	54	56	38.5	47	33	20
ESPN	47	53	58	40	43	34	23
HBO	49.5	50.5	67	46	32.5	38	29.5
SPN	48.5	51.5	62	40	34	36	30
Showtime	51	49	59	48	40	35	25
USA	48	52	61	39	38	34.5	27.5
WTBS	46	54	57	38	45	33	22
Total Cable	46.5	53	56	39	45	33	22

*Numbers appearing in this chart are *CableVision* estimates based on numerical data supplied from the June 1982 Arbitron Network Cable Report. All numbers are rounded off to the nearest half percentage point.

Cable on target

Arbitron report shows cable television services reaching desired audiences

NEW YORK—Cable services appear to be reaching their target audiences, according to the June Arbitron Network Cable Report.

Arbitron, the research company, measured eight cable services—six basic services and two pay services—in its second biannual cable report. The services are Cable News Network, Christian Broadcasting Network, Entertainment and Sports Programming Network, Home Box Office, Satellite Programming Network, Showtime, USA Cable Network and WTBS, the Atlanta superstation.

"The services are reaching the audiences they are targeting," said Lynne Stauffer, Arbitron national cable marketing manager. "For example, CBN does well against women in the day and ESPN, WTBS and USA deliver well against men."

CableVision has estimated audience percentages in the four sex and age groups and three income groups used in the study. (See chart.) The estimates can be used to view how each measured service performs against specific demographic categories within its own subscriber arena.

Stauffer noted that WTBS had the top ranked show among basic services—*All in the Family*, while *Moneyline* on CNN ranked second. The top five ranked programs were found to be on WTBS or CNN.

Examining weekly cumulative ratings for the services, Arbitron found that ESPN was the only service to have its weekly cumulative ratings increase in all demographic categories. Stauffer attributed this to the effect of new programming and promotion on ESPN.

However, cumulative ratings for the other services did not change dramatically, Stauffer added.

CableVision estimates, based on data supplied by Arbitron, indicate that both pay and basic services are reaching slightly more women than men, and more adults 25-54 than adults 18-34 years of age. In addition, the estimates show that cable has a firm grasp in upscale income groups, with well over half of its audience reporting annual incomes above $20,000.

The 24-hour aided recall telephone survey, conducted June 14-20, was based on 3,614 completed interviews.

Under the aided recall format, respondents to the survey were interviewed about their viewing habits. They were asked if they were viewing cable when called, if they had watched a program or programs in the past week, and on the previous day for each of the services available in their individual system.

Questions included demographic information about education and household composition. All respondents had to be 18 years or older to qualify for the survey.

Arbitron used 100 cable systems in the survey. These systems, according to Stauffer, were representative of cable penetration regionally and of average channel capacity. Operators of the participating systems were interviewed prior to the survey.

The same eight services measured in the June report were measured in last November's report. However, new services may be added to the next report, scheduled for November. Stauffer mentioned ARTS, Cable Health Network, CBS Cable, Daytime, Music Television and Satellite News Channel as services that would qualify for measurement based on subscriber counts.

"We want to give subscribers enough time to familiarize themselves with these new services before adding them," Stauffer said.

The June report is different from last November's report because it offers cumulative and average half-hour ratings estimated by daypart.

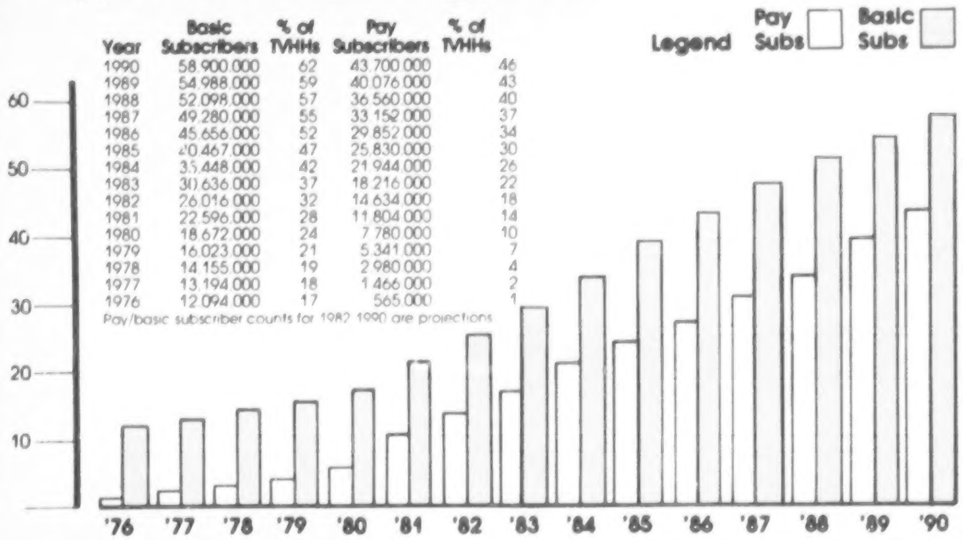
Some 70 advertisers and ad agencies have already signed up to receive the June report, Stauffer said.

Stauffer said the report can be used by clients to estimate audience retention and loss from program to program. This data can be helpful in scheduling, she added.

—David Stoller and Karen Bloom

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH)	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable	29.75%
Percent of HP with basic cable	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable	16.22%
Percent of HP with pay cable	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Satellite lineup

Satcom III-R (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Satelliten Network	2
United Videc (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, Cabletext, Reuters News View, North American Newstime/The Travel Channel, Dow Jones Cable News)	6
ESPN	7
CBN Cable Network	8
USA Network	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Showtime, (Cable Health Network)	17
Reuters, Eternal Word Television Network (8 p.m.-12 a.m.)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark/The Weather Channel	21
HBO/Modern Satellite Network, leased for Daytime	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)	**Transponder**
ESPN (Bravo)	6
National Christian Network (Escapade)	7
RCTV/The Entertainment Channel	8
Warner Amex	11
Showtime (subleased to Compact Video)	15
Trinity	17
HBO	18
American Network	19

Satcom V—Projected launch mid-1983
Satcom I-R—Projected launch September 1983
Satcom II-R—Projected launch September 1983

Westar IV (Western Union)	**Transponder**
CBS Cable	3D
SIN	3X
Wold Communications	5D
Wold Communications (Financial News Network, SelecTV)	5X
Wold Communications—pay service TBA	9X
Wold Communications (Eternal Word Television Network, EROS)	10D
SPN	11X
GalaVision	12X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat, and Equatorial will have transponders on Westar IV.

Westar V (Western Union)	**Transponder**
Hughes TV	1D
CBS/Fox	1X
WOR (subleased from Westinghouse by Rbt. Wold Co)	2D
Dow Jones/UTV Cable Network	2X
Citicorp	3D
Dow Jones	3X
CBS Cable	4D
Satellite News Channel I	4X
American Satellite Co. (AmSat)/TCI	5D
AmSat	5X
Satellite News Channel I	6D
AmSat	6X
AmSat/DCM	7D
Satellite News Channel I	7X
Satellite News Channel II	8D
Satellite News Channel I and II (incoming)	8X
Nashville Network	9D
Satellite News Channel I	9X
Citicorp	10D
American Medical Buildings	10X
The Disney Channel (east)	11D
Digital Communications Corp	11X
The Disney Channel (west)	12D
TCI/BET	12X

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz.Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2), Viacom (2).
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz.
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz.

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1) and NEC (1).
Spacenet II —Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz.
Spacenet III—presently being built.

National cable advertising

This chart lists national advertising sales by the basic cable networks during June and July 1982.

Network/Client	Status
ARTS	
AT&T	Renewal
American Egg Board	New client
Exxon	Renewal
General Motors (Chevrolet)	Renewal
Eastman Kodak	Renewal
Mobil Oil	Renewal
Polaroid	Renewal
Warner Comm. (Atari)	New client
BET	
Amtrak	Renewal
Carson Products	Renewal
General Electric	Renewal
General Foods	Renewal
General Mills	Renewal
Ford (Lincoln-Mercury)	Renewal
Philips Petroleum	Renewal
Pepsico	Renewal
Sears	Renewal
U.S. Army	Renewal
U.S. Navy	Renewal
Westinghouse	Renewal
Wrigley's	Renewal
Xerox	Renewal
Cable Health Network	
American Cyanamid	New client
Bristol-Myers	New client
Celestrial Seasonings	Newclient*
General Foods	New client
Magnavox	New client
National Liberty Marketing	Newclient*
Pfizer	New client
Soloflex	New client
Squibb	New client
CBS Cable	
Bolla Wines	Renewal
Bristol-Myers	Renewal
Ford (Lincoln-Mercury)	Renewal
Kellogg's	Renewal
Kraft	Renewal
Perrier	Renewal
Porsche Audi	New client
Mem (English Leather)	New client
Shell Oil	Renewal
Universal Pictures	Renewal
Warner Communications	Renewal
CNN/CNN2	
E-Z Painter	Renewal
Florida Citrus Commission	Renewal
Ford (Lincoln-Mercury)	Renewal
J.C. Penney	Renewal
Procter & Gamble (Lava Soap)	Renewal
Time-Life	Renewal
Daytime	
American Egg Board	New client
Campbell's Soup	Renewal
DMC Corp.	Renewal
Doubleday	Renewal
General Foods	New client
General Motors (Chevrolet)	Renewal
Golden Grain	New client
J.C. Penney	Renewal
Kenner	New client
Kraft	Renewal
Nylint Toys	Renewal
Quaker Oats	Renewal
Revlon	Renewal
Sears	Renewal
Trans World Airlines	Renewal
Universal Pictures	New client
ESPN	
Acushnet	New client
American Gas Association	New client
Ashland Oil	New client
Bardahl	New client
Bays English Muffins	Newclient*
Burnham Van Service	New client
Combe	New client
Cracker Jacks	New client
Dupont (Conoco)	New client
Footjoy	New client
General Foods	New client
John Hancock	New client
Daniel Hechter	Newclient*
Humminbird	New client
Jules Jurgensen	Newclient*
Mayflower Moving	New client
Maxell	New client
Satellite News Channel	New client
Skil	New client
Tasco	New client
Tennis Week	Newclient*
Towery Marketing	Newclient*
MSN	
Brown Shoe	Renewal
Dart/Kraft (Tupperware)	Renewal
Diamond Walnuts	New client
Ideal Security Hardware	New client
MCP Foods	New client
Ralston Purina	New client
Sealy	New client
Sunmaid Raisins	New client
National Jewish Television	
Crazy Eddie	New client
El Al Airlines	Renewal
Goody Products Inc.	Renewal
The Jerusalem Post	Newclient*
SIN	
Adolph Coors	New client
Anheuser-Busch	Renewal
Banfi Products	Renewal
Balaccio Wine	Renewal
Eastern Airlines	Renewal
General Foods	Renewal
Gilette	Renewal
Hartz Mountain	Renewal
Pan Am	New client
Pepsico	Renewal
Polaroid	Renewal
Procter & Gamble	New client
Revlon	Renewal
U.S. Army	New client
Satellite News Channel I	
Ace Hardware	New client
American Fur Industry	New client
American Motors	New client
Black Entertainment Television	New client
Charles Schwab	New client
Chrysler	New client
Corvo Wines (Paterno Imports)	Newclient*
ESPN	New client
Ford	New client
General Motors (Chevrolet)	New client
Kraft	New client
McGraw Hill (Business Week)	New client
Comerco (Olympic Stain)	New client
Tandy (Radio Shack)	New client
USA Network	New client
United Van Lines	New client
SPN	
American Express	Renewal
AMF	New client
Avis	Renewal
Business Week	Renewal
Candie's Shoes	Newclient*
Ce Soir	Newclient*
Chanel	New client
Cheesborough Pond	Renewal
Commadore Computer	Renewal
Consumer Reports	Renewal
Cuisinart	New client
Dow Jones	New client
Eastman Kodak	Renewal
Esmark (Playtex)	Renewal
Estee Lauder	Renewal
Exxon	New client
Florida Chamber of Commerce	New client
Fodor Travel Guide	Newclient*
International Diamond Corp.	New client
Kaiser Aluminum	Renewal
Kimberly-Clark	Renewal
Lysol	Renewal
Mennen	Renewal
Moosehead Beer	Renewal
Nautilus	New client
New York Life	New client
Pan Am	New client
Pentel	Renewal
Pollenex	New client
Polygram Records	New client
Preparation H	Renewal
Quaker Oats (Fisher-Price Toys)	New client
Sears	Renewal
Smith Barney	Renewal
Sporting News	New client
Standard & Poor's	Newclient*
Travel Holiday Magazine	New client
TWA	Renewal
Time-Life	Renewal
Union Carbide	Renewal
Villa Biaachi Wine	Renewal
Windjammer Cruises	New client
TeleFrance	
Chanel	Renewal
Club Med	Renewal
Elf Aquitaine	Renewal
Exxon	Renewal
Made in France International	Renewal
USA Network	
American Express	Renewal
American Gas Association	New client
Anheuser-Busch	Renewal
Avis	Renewal
Borden's	Renewal
CBS Records	Renewal
Colgate Palmolive	New client
Columbia Pictures	Renewal
Delta Peerless Faucets	New client
Esposito Entertainment	New client
Filmways	Renewal
Freeman Shoes	New client
General Foods	Renewal
J.C. Penney	Renewal
Jeffery Martin	Renewal
Mattel	New client
Paramount	Renewal
Philips Morris	Renewal
Reynold's Metal	New client
Richardson-Vicks	New client
Sapphire Books	Renewal
Time-Life	New client
Toyota	Renewal
Twentieth Century-Fox	Renewal
Universal Pictures	Renewal
Warner Communications	Renewal
Westinghouse Broadcasting	New client
Wrigley's	Renewal
Xerox	Renewal
The Weather Channel	
American Cyanamid	New client
American Express	Renewal
American Gas Association	New client
Eastman Kodak	Renewal
Heil Heating and Cooling	Newclient*
Hyatt Hotels	Renewal
Lennox	New client
Pillsbury	New client
Quaker Oats	Renewal
Scott Paper	New client
Stokely Van Camp	New client
Union Carbide	New client
Whirlpool	New client
WTBS	
American Cyanamid	Renewal
CBS Publishing/Cuisine Magazine	Renewal
Chi Chi Restaurant	Newclient*
Chrysler	Renewal
Consolidated Foods (Shasta)	New client
General Mills	Renewal
Hanes	Renewal
J.C. Penney	Renewal
Kraft	Renewal
Magic Chef	New client
Mattel	Renewal
News American/National Star	Newclient*
Searle	Renewal
Time-Life	Renewal

* New to network advertising.

- Time Inc. unveils plans for national cable guide
- Turner reaches accord with NFLPA for 18 games
- Bronx franchise pact struck, NYC wrinkles remain
- Fiberoptic technology for CATV cautiously praised

CableVision

The news and features weekly of the cable television industry August 30, 1982 $3.00

C8920-2 8/26/82

Cable security unleashed:

CVFV20014CON452 053082/1
SUSAN GARNER ACQ EDT
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
BETHESDA DC 20814

Home protection business running on fast track

PLUS

Pay-per-view: A case of nerves

CableVision August 30, 1982. Volume 7, Number 51

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NYC treaty

After months of wrangling, Cablevision Systems and New York City officials have reached an agreement on the company's operation in the Bronx. Remaining issues continue to block a final pact for the entire city. **Leading the week, pages 13-18**.

Time guide

Time Inc. has unveiled its long-awaited plan for a national cable guide. The company expects to spend $100 million on *TV-Cable Week*. **Leading the week, pages 13-18**.

Pigskin pact

Turner Broadcasting and the National Football League Players Association have reached an agreement to televise 18 football games should a strike disrupt the regular NFL fall schedule. **Leading the week, pages 13-18**.

USFL video link

The United States Football League will be a major factor in the continued growth of sports on cable television. That was the prediction of Chet Simmons, league commissioner, which he made in NYC last week. **Leading the week, pages 13-18**.

Optic praise

Fiberoptic technology for CATV use drew cautious praise from participants of a two-day seminar held in Boston last week. **Leading the week, pages 13-18**.

SPN approach

The fall programming lineup for the Satellite Program Network reflects its chairman's dollar-and-sense attitude toward customer service. **Page 23**.

Successful failure

It's rare that failure breeds success. But in the case of at least one theater production, *Come Back to the Five and Dime Jimmy Dean, Jimmy Dean*, its lackluster reception led to new life on film. **Page 23**.

Security ventures

Viacom has become the latest MSO to enter the alarm security business in a joint venture in San Francisco. **Page 55**.

SelecTV offer

SelecTV will offer its adult pay service to 100 cable operators serving the Los Angeles ADI. However, those operators will not need to be concerned about channel space or a necessary earth station. **Page 55**.

Cable security

Interest is running high and the major equipment manufacturers are pushing hard to meet ambitious production levels as marketers are touting record sign-up. *CableVision* takes a look at this hot issue. **Page 61**.

S. 2172 resting nicely

Sen. Barry Goldwater's complex and controversial Cable Telecommunications Act of 1982 is basically on hold in the Senate. The bill is on the calendar, but action is not expected for some weeks. **Page 69**.

About the cover

This week's cover was photographed by Titsch Photography Editor Rob Stuehrk.

This week in *CableVision Plus*

Now that the dates have been set, the prospect of blockbuster movies on pay-per-view is making some operators edgy. Will the original *Star Wars* be as big a hit in the living room as it was in the theater—arriving as it is on the heels of a re-release and just prior to an engagement on pay TV? Universal's *The Pirates of Penzance* is an even riskier proposition, some say, despite the glamour connected with a concurrent movie house debut. Without the benefit of word-of-mouth, it could prove to be a tough sell. As many operators know, the toughest sell of all sometimes is the new customer who decides to disconnect in the first six months. To keep them in the fold, pay TV programmers are geared up to put as much energy in retention marketing as they did in acquisition. Pages 31-54.

Cover story

Lori Shoaf watches screens at the central monitoring station of American Cable Security in Littleton, Colo.

Rob Stuehrk

Cable security

Business potential has strong attractions despite technical, production difficulties and the need for educating the consumer

NEW YORK—Cable security is coming into its own. Interest is running high and the major equipment manufacturers are pushing hard to meet ever more ambitious production levels. Marketers are touting record numbers of subscriber sign-ups per month and some industry analysts are looking five years ahead to a 10 percent penetration of homes passed by two-way interactive cable that will carry security.

A recently released report entitled "Home Security: The Impact of Cable TV" by International Resource Development (IRD) said, "High installation and monitoring costs will remain the compelling force limiting the potential security market to between 3 and 5 percent of the population until two-way interactive cable television sweeps those barriers aside on its own momentum."

However, cable system operators have been wary—for reasons of their own—about jumping onto the security service bandwagon. The excessive capital cost involved in two-way capabilities is but one concern. High installation and monitoring costs, shipping delays, operational problems such as false alarms, stuck transmitters and in-home terminal adustments, as well as concern over reliability and who will answer alarm calls have served to inhibit the industry's growth.

This year has been the first for a solid emerging market in cable security. There are more than 100 new franchises where cable operators have promised to offer security services. These franchises will pass nearly nine million homes. In the nearer term, security currently is being marketed, or soon will be, to about nine million more homes.

Not accounted for are system upgrades and rebuilds as well as communities that have not awarded cable franchises. Many future franchises are in urban areas where there are expectations of particularly high security penetration. The high crime rate in many large cities, the pervasive fear of random violence and the fact that more than 50 percent of urban households are unattended during working hours makes security an obvious attraction in such unfranchised markets as New York City, Philadelphia, Chicago, Cleveland, Detroit and Milwaukee.

"Ninety-eight percent of the homes in North America do not have security systems and the thing that cable has going for it more than the technology is its ability to market a service," said Mike Corboy, president of TOCOM. At an average installation rate of slightly more than $1,000 and an average monthly monitoring fee of $16.50, this market could be a very sizeable one indeed. Even the most cautious prognosticators predict a 3 percent security penetration in three to five years. With security available to nearly 18 million homes, the number of subscribers could easily reach the 500,000 mark. Extrapolating from current industry figures, this could yield more than $8.25 million in monitoring revenues and $500 million in equipment sales.

Less conservative industry experts, who predict up to 10 percent penetration in the next five years, look to such things as pending legislation that will offer a federal income tax credit to homeowners who invest in a security system and cut down on the casualty losses claimed by taxpayers, and a growing trend in the insurance industry to offer up to a 10 percent reduction in homeowner's insurance to the household that is protected by a security system. These developments are being watched closely by insiders. The insurance industry spurred the growth of the commercial security business by refusing to cover businesses without an alarm system and offering reduced rates to those that invested in a better-than-average system. Will history repeat itself in the residential business?

"It's a multimillion-dollar business," according to Mike Korodi, president of Warner Amex Security Systems and a former general manager of QUBE's first operation in Columbus. "You're looking at a $500 million dollar business in five years' time if the MSOs go into this with the right resources and large structures." And security service is, of course, just the first of the enhanced services. "We are proving the marketability and the success in selling a product on a two-way interactive load that happens to be security. This will allow us and prepare us in the future to offer many other non-video services."

Korodi expects non-entertainment services to exceed the profitability of entertainment services. "The MSOs will recognize that the revenues, which will be generated by non-entertainment services, will be of such magnitude that they will ultimately be a very profitable business. The investment is large but so is the potential return. "When you have $30,000 a mile invested in cable plant, you must generate a lot of revenue to pay for that cable business."

"Cable security is going to be the first two-way service that is recognized as a business," Corboy said. Corboy concurred with Korodi in affirming the marketing superiority of cable. "The key is staffing it well—bringing in good marketing and sales people and installing and monitoring it correctly—just doing a good job—and you're going to make a lot of money in this business." Interest in the service is abundant, according to Corboy. "But it can't be just a sideline. I don't see business as coming in over the transom. It's got to be sold. Show me you can make money, show me it's a business and I say, 'Set up a team, set up a business plan, go about it as a separate business, and you will make a lot of money.'"

Many systems are available and on the market, but few are in place. Still others exist only on the drawing boards. Typically, "what's out there" is a control computer at the cable system headend with a full complement of peripherals such as hard copy printers, CRT displays, hard or floppy disk drives, an alarm software package and a rack-mounted RF master modem to interface with the cable plant and the subscriber terminals. At the subscriber's home, the terminal is the point of reception and transmission upstream to the headend. Some sort of alarm panel or controller provides the interconnection between the terminal and the various sensors, alarm buttons and keypads. (See accompanying chart on p. 66 for a description of the top-of-the-line systems offered by the seven leading manufacturers. Please note that most manufacturers supply smaller-capacity systems, typically beginning with a subscriber capacity of up to 1,000, and with a price tag of about $10,000 and up. All systems identified, with the exception of the Tele-Dat II, continuously poll the subscriber's home terminal downstream and obtain an upstream replay every few seconds.)

The home terminals are polled or interrogated by the central control computer sequentially and continuously every few seconds. The home terminals replay with their status. This feature sets cable-based remote monitoring apart from all other forms of security systems, in that the entire network of subscribers' terminals are continuously active. If one fails or is taken out of operation, the control computer is instantly aware of it and can initiate appropriate action.

If a sensor is tripped, the home terminal sends a signal upstream to the control computer. The computer repolls that terminal for verification and, once the alarm status is confirmed, the computer processes the data, activates the printer that produces on hard copy the alarm status, the necessary information about the residence in question and the instructions on what procedure must be followed. In most systems, extra printers and CRTs can be located in other places—the police department or private guard service office.

In case of power failure, most systems offer stand-by power via rechargeable batteries. Also, in case the cable plant fails to be able to transmit, a redundant digital dialer (telephone line backup) is usually in place or offered as an option.

The recent excitement over cable security has created a great deal of pressure upon the equipment manufacturers to deliver the product. While the emphasis for some time has been on technical innovation, it has switched to the manufacturer's ability to deliver a working system that can be installed rapidly and inexpensively.

According to John Trudell, marketing vice president for CableBus, his forum has positioned itself specifically to meet this demand. CableBus markets systems that can be installed to work on existing cable at the headend in only one day. "CableBus has always been preceived as a technical innovator; in the past year we have been recognized as a responsible manufacturing company as well." Cliff Schrock, CableBus' chairman and founder said. "We are now building and shipping 1,500 teminals a month and hope to soon reach 3,000. In four months we will have shipped more terminals than all the other companies combined in the last several years."

Currently there are some 12,000 terminals in place. TOCOM reportedly is shipping 1,000 terminals a month and expects to ship 1,500 of the new 3000 models in October. "Our systems are available within 30 to 60 days of your order," Schrock said. "This is the best delivery schedule in the industry. Our most popular basic system is our 1,000-subscriber system. We offer a 100 percent trade-up policy in the first 12 months following purchase and a 75 percent trade-up for the second 12 months. This way we feel we can help facilitate rapid growth and catch the largest share of the market," Schrock said.

Even state-of-the-art gear is not without its bugs. TOCOM reportedly encountered

FIVE LARGEST CABLE SECURITY SYSTEMS

CITY/STATE	CABLE COMPANY	START-UP DATE	NO.OF SUB-SCRIBERS	EQUIPMENT MANU-FACTURER	AVG. INSTALL/ MONITOR-ING CHARGE	NO.OF HOMES IN MARKET AREA	NO.OF HOMES PASSED IN FRANCHISE AREA
COLUMBUS, OH	WARNER-AMEX	12/79	2900 CABLE CONNECTS 2700 TELCO SYSTEMS	DTI & PIONEER	$18.50/$1200	325,000	120,000
DAYTON, OH	VIACOM	1/79	1325 CABLE 300 TELCO SYSTEMS	TOCOM	$17.50/$775	200,000	75,000
FT. LAUDERDALE, FL	SELKIRK	2/80	1300 CABLE	TOCOM	$15.95/$900	82,000	110,000
PARK CITIES, TX	SAMMONS	11/80	730 CABLE	TOCOM	$16.95/$1100	13,500	13,500
ALTAMONTE SPRINGS, FL	STORER	11/80	430 CABLE	TOCOM	$15.95/$820	17,000	19,200

THE ROGERS CABLE SECURITY SYSTEM IN SYRACUSE, NY IS NOT MENTIONED HERE DESPITE ITS 1000 SUBSCRIBERS BECAUSE IT WAS OFFERED FREE UNDER THE TERMS OF ITS CABLE TV FRANCHISE. HARRIS EQUIPMENT WAS USED. TOCOM HAS A 66% MARKET SHARE. 23 OUT OF 35 CABLE OPERATORS WHO OFFER SECURITY USE TOCOM EQUIPMENT.

SOURCE: JULY 29, 1982 ISSUE OF PAUL KAGAN'S CABLE TV SECURITY NEWSLETTER problems with stuck transmitters and faulty integrated circuits. According to Corboy, TOCOM received several batches of integrated circuits 10 or 11 months ago and included them in equipment shipped to the Sammons system in Fort Worth, Texas. The equipment had a high failure rate and TOCOM was forced to ship out some returns. Corboy said, "We just didn't catch it—it was dumb." The problem is now all squared away, he said.

Another cause of widespread equipment failure that has come to the attention of the equipment manufacturers is the practice of testing equipment in one climate and installing it another. Sensitivity to this problem on the part of the major manufacturers has resulted in a dramatic decrease in the number of false alarms attributable to the effect of differing temperatures on the equipment.

Until recently, cable system operators who offer security have complained of the necessity for frequent in-home terminal adjustments. However, the major equipment companies are moving to eliminate this inconvenient and costly task by building into their headend location. It is predicted that this feature will be standard equipment for all state-of-the-art cable security systems in the very near future.

The industrywide question of who will answer alarm calls generated by a cable security system is being answered by the trend toward joint ventures between cable system operators and traditional alarm companies. The alarm companies not only have long-standing working relationships with local fire and police departments, but also in many cases, a private guard service as well. Therefore, cable security subscribers can be sold on the advantage of having two separate entities attuned to their calls for help. ADT, the largest and oldest security company in the business, recently announced its interest in joint ventures of this kind. ADT has a vast network of traditional central station monitoring facilities throughout the country.

"Home security involves a higher level of selling," according to Corboy. "You're selling peace of mind, not hardware. It's not order-taking. You can't take orders over the phone. It's in-home selling. You have to be willing to spend an hour or two and explain what it does and what it can do for the man and the wife. It's harder selling and it's different than selling entertainment services, but with the right team it can be done and done successfully." The Dayton, Ohio, system is a TOCOM showcase. "We're up to 60 or 70 sales a month in Dayton. We're generating a profit up there and a positive cash flow. It can be a 50 percent cash flow item and a business every bit as good as cable," Corboy said.

The end user is not only one who needs to be sold. The cable companies, earnings depleted by system construction or rebuilding, are wary of getting into yet another business that requires a cash outlay or commitment of an additional channel to an uncertain venture. Preoccupied with meeting franchise obligations and adding new pay tiers, attitudes toward security are often, "Go away, don't bother me, don't you see I'm busy."

Rob Stuehrk

ACS has an unusual video monitor designed to assist field technicians in adjusting equipment in individual dwellings. The camera sends the metered signal directly to the technician via a monitor or television screen.

Industry experts agree that the break-even point is about 1,500 subscribers. However, there are only two such systems on-line today. Even those companies with a healthy sales pace—30 to 60 a month—are at least a year away from 1,500 installations. Therefore, the majority of the systems continue to lose money and many cable operators continue to cast a jaundiced eye toward the security business.

"You can spend your money buying full-page ads to tell the world that you're the best," Schrock said. "or you can spend your money in engineering to make your product the best. What the market badly needs is a few success stories in place and people all of a sudden will pile on the bandwagon. And I don't mean saying, 'I've got a thousand running and isn't that great!' I want some little guy to stand up and say, 'I put on 20 subscribers a month and I'm making money.' The problem with security isn't all that different from satellites. Five years ago you couldn't convince most cable operators to put up a satellite dish. All of a sudden, you can't find a cable operator who doesn't have two or three. Once somebody starts to go they all go," Schrock said.

Aside from the merits of any one system over another, is cable a reliable medium for security monitoring? Opinion is sharply divided. According to Korodi, you cannot call a non-redundant system a security system. In effect, he is saying that cable is fine for a first line of defense, but he would not go into the game without a digital dialer playing back-up.

"You have outages, you have cable cuts, you have noise ingress problems," Korodi said. "And it's not just having your tube go out for 20 minutes so you don't have a program; you could push the button when you're dying or your house in on fire."

Schrock refuted the idea that telephone security alone or in conjunction with cable monitoring is a feasible alternative. "Cable is the only medium within our grasp that has the capacity to handle more than a fraction of the population for something like security in a supervised mode," Schrock said. "If you took more than a few percent of the population and put them onto telephone security and all those little dialers started dialing, the phone system would literally fold."

Most analysts today feel it is the telephone security connection that needs a fail-safe mechanism, not the other way around. Even if the potential burglar were to isolate the cable connection that serves an individaul residence, as soon as the line was tampered with, a fault or tamper signal would be sent to the control computer. The subscriber's terminal would be repolled. If the status remained the same, the monitoring operator then would be alerted to contact the subscriber's residence by telephone. Unless someone answered and gave a specific coded replay indicating that all was well, aid would be dispatched immediately. If the telephone line did not work, the operator would automatically dispatch assistance. The all-encompassing nature of the protection afforded by cable security only now is beginning to be understood by the customer.

"Crime you don't have to advertise for," according to Korodi, "it's there. With husbands and wives both working, inflation and bad times, people see the need to protect their homes while they are there and while they are away." Korodi sees security systems as standard built-in features for new homes in two years.

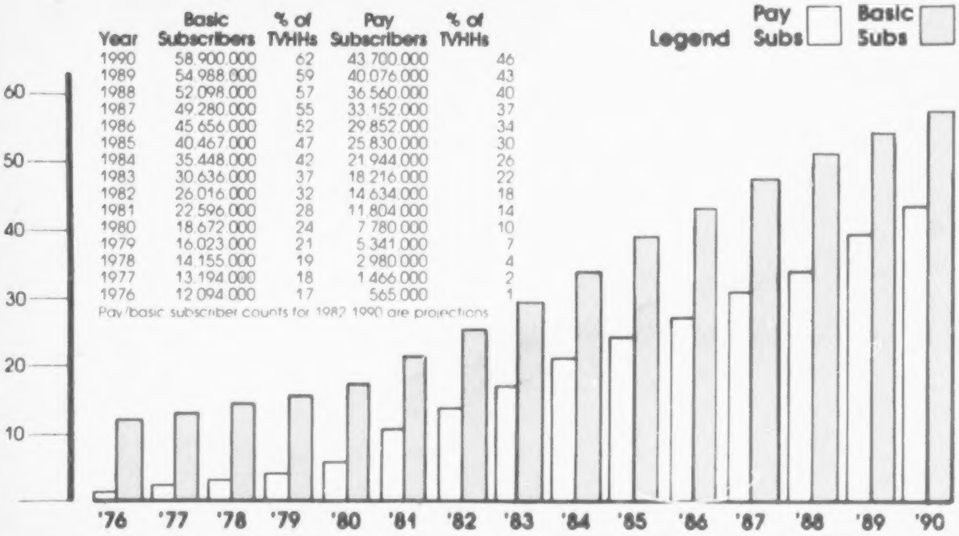
The time is approaching rapidly when the decision to purchase a security system will no longer lie with the homeowner. Security systems will soon be standard features in all new homes, much like garbage disposals and central air conditioning units are today.

—*Kathleen Lane*

Kathleen Lane is a New York-based consultant in the new video markets. She is also an attorney specializing in entertainment and contract matters.

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58.900.000	62	43.700.000	46
1989	54.988.000	59	40.076.000	43
1988	52.098.000	57	36.560.000	40
1987	49.280.000	55	33.152.000	37
1986	45.656.000	52	29.852.000	34
1985	40.467.000	47	25.830.000	30
1984	35.448.000	42	21.944.000	26
1983	30.636.000	37	18.216.000	22
1982	26.016.000	32	14.634.000	18
1981	22.596.000	28	11.804.000	14
1980	18.672.000	24	7.780.000	10
1979	16.023.000	21	5.341.000	7
1978	14.155.000	19	2.980.000	4
1977	13.194.000	18	1.466.000	2
1976	12.094.000	17	565.000	1

Pay/basic subscriber counts for 1982 1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

STV Licenses

ARIZONA
Phoenix
Franchisee: ON TV
Licensed station: 15 KNXV
3702 E. Chipman Rd.
Phoenix, Ariz. 85040
(602) 243-6681
General manager: George Fettig
Franchisee parent firm: Oak Communications
Metro population: 1,293,000
Application granted date: 6/78
Start-up date: 9/79
Programming: Movies, sports, special events, pay-per-view, local programming
Subscribers: 37,014 (as of 8/10/82)
Rates: Installation: $49.95 Deposit: $20.00
Monthly: $19.95 Additional tier: $4.95

CALIFORNIA
Los Angeles
Franchisee: ON TV
Licensed station: 52 KBSC
1139 Grand Central Ave.
Glendale, Calif. 91201
(213) 507-5600
General manager: Richard Whitman
Franchisee parent firm: Oak Communications
Metro population: 6,000,000
Application granted date: 8/76
Start-up date: 4/1/77
Programming: Movies, sports, concerts
Subscribers: 379,601 (as of 7/10/82)
Rates: Installation: $39.95 Deposit: $25.00
Monthly: $22.00 Additional tier: N/A

Marina del Rey
Franchisee: SelecTV of California
Licensed station: 22 KWHY
4755 Alla Rd.
Marina del Rey, Calif. 90291
(213) 827-4444
General manager: Bob Bunn
Franchisee parent firm: Harris Broadcasting
Metro population: 7,081,000
Application granted date: 3/26/73
Start-up date: 7/78
Programming: SelecTV originated
Subscribers: 111,800 (as of 3/82)
Rates: Installation: $41.00 Deposit:
Monthly: $24.55 Additional tier:

San Francisco
Franchisee: Subscription TV of San Francisco (STAR-TV)
Licensed station: 26 KTSF
1176 Cherry Ave.
San Bruno, Calif. 94066
(415) 875-1211
General manager: John Groom (Station Manager)
Franchisee parent firm: Satellite Television And Associated Resources
Metro population: 3,184,000
Application granted date: 5/77
Start-up date: 8/80
Programming: Movies, sports
Subscribers: 32,058 (as of 8/16/82)
Rates: Installation: $49.95 Deposit: $25.00
Monthly: $22.95 Additional tier: $4.95

San Jose
Franchisee: STAR
Licensed station: 48 KSTS
2349 Bering Dr.
San Jose, Calif. 95131
(408) 946-3400
General manager: John Douglas
Franchisee parent firm: Satellite Television And Associated Resources
Metro population: 1,232,000
Application granted date: 2/80
Start-up date: 12/81
Programming: Blockbuster movies, stage productions, adult programming
Subscribers: *32,058 (as of 8/1/82)
Rates: Installation: $49.95 Deposit: $25.00
Monthly: $22.95 Additional tier: $4.95
*Combined San Jose and San Francisco

DISTRICT OF COLUMBIA
Washington, D.C.
Franchisee: Subscription Television of Greater Washington
Licensed station: 50 WCQR
8200 Greensboro Dr., Suite 400
McLean, Va. 22102
(703) 556-9250
General manager: Ted Ledbetter
Franchisee parent firm: Field Communications, ST of A
Metro population: 1,400,000
Application granted date: 8/80
Start-up date: 11/1/81
Programming: Super TV—movies, sports (local), concerts, live entertainment
Subscribers: *55,000 (as of 8/16/82)
Rates: Installation: $49.95 Deposit:
Monthly: $19.95 Additional tier: $4.95
*Combined DC and Baltimore

FLORIDA
Fort Lauderdale
Franchisee: NST-Fort Lauderdale
Licensed station: 51 WL[illegible]D
4035 N. 29th Ave.
Hollywood, Fla. 33020
(305) 923-6699
General manager: Paul Rishell
Franchisee parent firm: Oak Communications
Metro population: 1,100,000
Application granted date: 3/79
Start-up date: 1/11/80
Programming: Basic—movies, sports events, concerts, adult entertainment
Subscribers: 44,398 (as of 8/10/82)
Rates: Installation: $49.95 Deposit: $20.00
Monthly: $19.95 Additional tier: $4.95

GEORGIA
Atlanta
Franchisee: STV of Greater Atlanta
Licensed station: 69 WVEU
2700 Northeast Expressway, Bldg. A
Atlanta, Ga. 30345
(404) 321-0690
General manager: Robert Rueckert
Franchisee parent firm: Dynacom
Metro population: 1,200,000
Application granted date: 8/80
Start-up date: 8/81
Programming: 70 Blockbuster movies per month, locally produced specials, adult programming
Subscribers: 6,200 (as of 8/1/81)
Rates: Installation: $2[illegible].95 Deposit: $20.00
Monthly: $20.95 Additional tier: $5.95

ILLINOIS
Aurora
Franchisee: Sports Vision
Licensed station: 60 WBBS/WPWR
5525 N. Broadway
Aurora, Ill. 60640
(312) 787-2600
General manager
Franchisee parent firm: four Chicago sports teams
Metro population: 7,030,000
Application granted date: 11/81
Start-up date: 5/10/82
Programming: Evening prime time sports shows, selected weekends, 7-2:30 a.m.
Subscribers: 20,000 (as of 8/16/82)
Rates: Installation: $52.95 Deposit: None
Monthly: $21.95 Additional tier: $15.00 SportsVision & ON TV

Chicago
Franchisee: ON TV
Licensed station: 44 WSNS
500 E. Business Center Dr.
Mt. Prospect, Ill. 60056
(312) 635-7050
General manager: David Gordon
Franchisee parent firm: Oak Communications/Harris Broadcasting
Metro population: 7,868,246
Application granted date: 2/80
Start-up date: 9/80
Programming: Movies, sports
Subscribers: 122,774 (as of 8/10/82)
Rates: Installation: $52.95 Deposit: $21.95
Monthly: $21.95 Additional tier: $5.95

Chicago
Franchisee: Chicago Subscription Television
Licensed station: 66 WFBN
501 W. Algonquin Rd.
Arlington Heights, Ill. 60005

Cable stats

(312) 952-1122
General manager: William Price
Franchisee parent firm: United Cable Television Corporation
Metro population: 7,868,246
Application granted date: 7/80
Start-up date: 9/28/81
Programming: Premium pay TV service: uninterrupted hit movies, live sporting events, exclusive Chicago events, entertainment concerts, themed program groups, optional adult movies
Subscribers: 57,000 (as of 6/1/82)
Rates Installation: $52.00 Deposit:
Monthly: $21.95 Additional tier: $5.95

MASSACHUSETTS
Boston
Franchisee: Preview
Licensed station: 27 WSMW
51 Morgan Dr
Norwood, Mass 06062
(617) 769-7850
General manager: Bill Koehler
Franchisee parent firm: American TV and Communications Corp (ATC)
Metro population: 5,060,000
Application granted date: 2/80
Start-up date: 9/80
Programming: Blockbuster movies
Subscribers: 51,000 (as of 8/1/82)
Rates Installation: $22.95 Deposit:
Monthly: $20.95 Additional tier:

Boston
Franchisee: STAR
Licensed station: 68 WQTV
140 Gould St
Needham Heights, Mass 02194
(617) 267-1530
General manager: J. Lance Leavy
Franchisee parent firm: Satellite Television and Associated Resources
Metro population: 3,448,122
Applications granted date: 3/73
Start-up date: 7/79
Programming: Blockbuster movies, special on stage productions, legitimate theater, adult programming
Subscribers: 68,043 (as of 8/1/82)
Rates Installation: $45.00 Deposit:
Monthly: $25.00 Additional tier:

MARYLAND
Baltimore
Franchisee: Subscription Television of Washington/Baltimore
Licensed station: 54 WNUV
8200 Greensboro Dr
McLean, Va 22102
(703) 556-9250
General manager:
Franchisee parent firm: Field Communications, Subscription Television of America
Metro population: 3,017,000
Application granted date: 3/80
Start-up date: 7/1/82
Programming: Live concerts, adult programming, Blockbuster movies
Subscribers: *55,000 (as of 8/16/82)
Rates Installation: $49.95 Deposit: $20.00
Monthly: $19.95 Additional tier: $4.95
*Combined DC and Baltimore

MICHIGAN
Ann Arbor
Franchisee: Ann Arbor STV (Subscription Television)
Licensed station: 31 WIHT
3951 Varsity Dr
Ann Arbor, Mich 48104
(313) 973-7900
General manager: Jack Mann
Franchisee parent firm: Satellite Syndicated Systems Inc
Metro population: 1,600,000
Application granted date: 2/23/80
Start-up date: 2/1/81
Programming: SelectTV Basic—prime time theater, adult tier, Night Owl theater
Subscribers: 15,000 (as of 8/1/82)
Rates installation: $49.95 Deposit: $50.00
Monthly: $22.95 Additional tier: $3.95, 1 tier

Detroit
Franchisee: ON TV
Licensed station: 20 WXON
1226 Rankin
Troy, Mich 48084
(313) 583-3000
General manager: L. Stephen Savoldelli
Franchisee parent firm: Chartwell Communications/Tandem Productions
Metro population: 4,617,510
Application granted date: 6/77
Start-up date: 1/79
Programming: Local sports (professional & collegiate), movies, concerts
Subscribers: 61,000 (as of 8/1/82)
Rates Installation: $49.95 Deposit: $50.00
Monthly: $22.50 Additional tier:

MISSOURI
St. Louis
Franchisee: Preview
Licensed station: 30 KDNL
11636 Lackland Rd
St. Louis, Mo 63141
(314) 993-3477
General manager: Donald Pascarella
Franchisee parent firm: Cox Communications
Metro population: 2,745,000
Application granted date: 2/80
Start-up date: 6/1/82
Programming: Movies & specials each month, Cardinals baseball
Subscribers: 4,500 (as of 7/82)
Rates Installation: $49.95 Deposit: $35.00
Monthly: $24.90 Additional tier:

Kansas City
Franchisee: American Subscription Television of Kansas City Inc
Licensed station: 62 KTMA
1875 Century Park East (home office)
Los Angeles, Calif 90067
(213) 552-1055
General manager:
Franchisee parent firm: Home Entertainment Network, a subsidiary of United Cable
Metro population: 1,300,000
Application granted date: 4/81
Start-up date: 1/83
Programming: Movies, sports
Subscribers: 0 (as of 8/82)
Rates Installation: Deposit:
Monthly: Additional tier:

MINNESOTA
Bemidji
Franchisee: SelecTV (K26AC)
Licensed station: 26 KEKR
726 Anne St
Bemidji, Minn
(218) 751-0526
General manager: John Boler
Franchisee parent firm: SelecTV
Metro population: 12,000
Application granted date: 4/81
Start-up date: 1/82
Programming: Adult tier, basic programming
Subscribers: 294 (as of 7/31/82)
Rates Installation: $49.50 Deposit: $50.00
Monthly: $15.85 Additional tier: $6.00

NEW JERSEY
Vineland
Franchisee: WHT (Wometco Home Theatre)
Licensed station: 65 WRBV
286 Eldridge Rd
Vineland, N.J. 07006
(201) 227-8700
General manager: Carmen Colucci-Station Manager
Franchisee parent firm: Wometco Enterprises Inc
Metro population: 1,666,631
Application granted date: 12/79
Start-up date: 7/81
Programming: WHT, recent major films, sports and entertainment specials, "Rendevous" late night adult tier
Subscribers: 18,000 (as of 6/82)
Rates Installation: $60.00 Deposit:
Monthly: $21.00 Additional tier:

Newark
Franchisee: WHT (Wometco Home Threatre)
Licensed station: 68
390 W. Market St
Newark, N.J. 07107
(201) 643-6800
General manager: Herb Lefkowitz
Franchisee parent firm: Wometco Enterprises Inc
Metro population: 4,334,680
Application granted date: 7/72
Start-up date: 3/77
Programming: Recent major films, sports and entertainment specials. "Nightcap" late night adult fare (as of 1/80 no charge)
Subscribers: 110,200 (as of 6/16/82)
Rates Installation: $60.00 Deposit:
Monthly: $21.00 Additional tier:

(List to be completed next week)

STV Licenses Pending

ILLINOIS
Chicago
7, American Broadcasting Co. WLS
Chicago, Ill
File Number:

INDIANA
Anderson
67, Indiana Telecasters
Anderson, Ind
File Number: BSTV-800626KI

MICHIGAN
Detroit
7, American Broadcasting Co. WXYZ
Detroit, Mich
File Number:

NEW YORK
New York
7, American Broadcasting Co. WABC
New York, N.Y.
File Number:

PENNSYLVANIA
Lebanon
59, Great Lebanon Co. Telecasting
Lebanon, Pa
File Number: BSTV-800130KJ

TENNESSEE
Nashville
30, ATC Corp
Nashville, Tenn
File Number: BSTV-790910KG

Nashville
30, National TV-Chartwell
Nashville, Tenn
File Number:

Nashville
30, Choice of TN
Nashville, Tenn
File Number: 7901026KP

Nashville
30, Golden West Broadcasters
Nashville, Tenn
File Number: BSTV-790126KU

UTAH
Salt Lake City
14, American TV of Utah
Salt Lake City, Utah
File Number: BSTV-790822KF

WASHINGTON
Seattle
22, Satellite STV Company
Seattle, Wash
File Number:

CALIFORNIA
Fresno
53, MDS-STV
6803 West Blvd
Inglewood, Calif 90302
File Number: BSTV-41

Guasti
46, Hispanic Best Inc
Guasti, Calif
File Number: BSTV-7904 OFF

Los Angeles
7, American Broadcasting Co. KABC
Los Angeles, Calif
File Number:

San Francisco
7, American Broadcasting Co. KGO
San Francisco, Calif
File Number:

COLORADO
Denver
20, Colorado TV Inc
Denver, Colo
File Number: BSTV-32

Denver
Oak
Denver, Colo
File Number: BSTV-790305LE

DELAWARE
Wilmington
61, Sixty-One Corp
Wilmington, Del
File Number:

Wilmington
61, Ebony Broadcasting Corp. and Telease for ASTV
Wilmington, Del
File Number:

FLORIDA
Miami
33, American STV-Clarion
Miami, Fla
File Number: BSTV-44

Miami
39, Contemporary TV Broadcasting
Miami, Fla
File Number: 7807191A

St. Petersburg
38, Oak Systems
St. Petersburg, Fla
File Number: 790615KI

- Judge Greene gives approving nod to AT&T divestiture
- Atlanta opens doors for 'biggest ever' Eastern Show
- Viacom lands Showtime via settlement with Group W
- Franchise fees, tax proposals ripple through country

CableVision

and features weekly of the cable television industry September 6, 1982 $3.00

CVFV20014CON452 053082/1
SUSAN GARNER ACQ EDT
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
BETHESDA DC 20814

C8920-2

9/2/82

HOME EQUI
STC

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Blue sky days gone for DBS

CableVision September 6, 1982. Volume 8, Number 1

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Judge Harold Greene

Bell gets Greene light

U.S. District Court Judge Harold Greene gave final approval to the AT&T-Justice Department settlement. That agreement could result in a significantly different telecommunications industry. **Leading the week, pages 13-20.**

High court test?

Turner Broadcasting System may face further court battles before it can broadcast NCAA football games as a result of an appeal filed on behalf of Cox Broadcasting and ABC. **Leading the week, pages 13-20.**

Intrepid unveiling

In keeping with its tradition of unusual backdrops for press conferences, USA Cable Network introduced its new fall schedule aboard the aircraft carrier U.S.S. Intrepid. **Leading the week, pages 13-20.**

Program semantics

Just how do pay services define original, made-for-pay cable series? Depending on who you ask, the definitions cover a wide area with some factors clearly more meaningful than others. **Page 27.**

Wescom expansion

Wescom Productions, a company that originally concentrated on pay TV sales, has begun to broaden its involvement to include packaging and production of original basic cable products. **Page 31.**

PRIZM analysis

A PRIZM study, conducted for the USA Cable Network, has concluded that USA's subscriber base is extremely heavy in middle- and upper-income suburban households. **Page 39.**

HIS opinion

More than half of the people exposed to a home information service system study show a "high propensity" to purchase and pay more than $20 per month for the product. **Page 40.**

Texscan life line

Carl Pehlke, Texscan president and CEO, is familiar with the benefits of a long life line. Those benefits have been passed along to the Arizona-based equipment manufacturer that is looking for and finding new growth along with the old. **Page 45.**

Showtime showdown

It is business as usual at Showtime, one week after the finalization of the divorce of its parents, Viacom International and Group W Cable. **Page 50.**

Superstars in Atlanta

"Cable TV: The New Superstar" reads the banner introducing this year's Eastern Show, and the Southern Cable Television Association has booked a solid program of events to capitalize on that theme. **Page 83.**

Ruling disputes

Franchise disputes have the courts and regulatory officers busy in New Jersey and Pennsylvania. Claims and counterclaims threaten to snarl the arrival of cable in at least two cities in those states. **Page 101.**

Paying in Peoria

The FCC, along with General Electric Cablevision, is gearing up for an appeal of a federal judge's ruling that the FCC's authority to regulate franchise fees was "void and of no effect" in a case brought by the city of Peoria, Ill. **Page 103.**

New Jersey tax

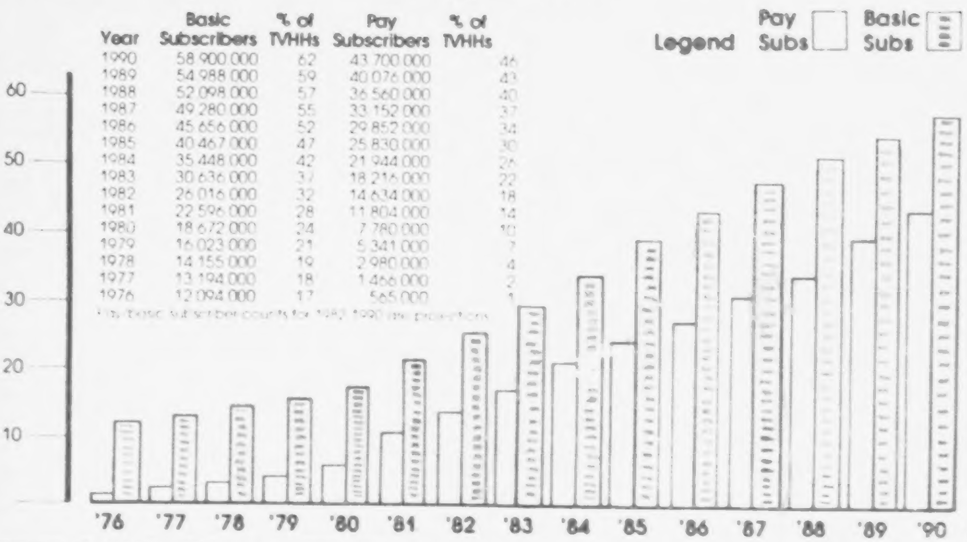
The draft of a proposed bill that would slap a 5 percent sales tax on cable systems has been released with little fanfare, but faces major opposition on the part of the New Jersey Cable TV Association. **Page 103.**

This week in PLUS

Not since the last round of megabuck buy-outs in the cable industry have so many been so eager to bet so many millions on the promise of a new media delivery system. Applicants are panting on the doorstep of the FCC, waiting for the go-ahead to drop from $200 million to $700 million on the theory there is a big enough market outside the reach or means of the cable industry. One of the leaders in the DBS parade is Satellite Television Corp., the Comsat subsidiary set up to prove there is indeed dessert to be made from cable's leftovers. Irv Goldstein, president of STC, gives *Plus* readers a preview of the bold enterprise. **Pages 59-82.**

Cable stats

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections

Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Film product comparison— September

Film	Networks					Distributor
A Lady Takes a Chance					C*	Prime TV Films
A Little Romance			TMC	(HTN)	C	Warner Bros
Abba—The Movie				HTN*	C	Warner Bros
Action of the Tiger		ST				MGM/UA
Adam's Woman					C	Warner Bros
Agency	HBO		TMC			Viacom
Airplane			(TMC)	(HTN)	C	Paramount
Alice Sweet Alice		(ST)	TMC			Lorimar
Alien	HBO*					20th Century Fox
All Night Long		ST				Universal
All The Marbles	HBO	ST	TMC			MGM/UA
American Gigolo		(ST)	(TMC)		C	Paramount
An Eye For an Eye	(HBO)	ST	(TMC)			Wescom
Back Roads					C*	CBS
Badlanders		ST				MGM/UA
Barbarella		ST				Paramount
Bells Are Ringing				HTN*	(C)	MGM/UA
Betrayed		(ST)		HTN		MGM/UA
Black Beauty	HBO		(TMC)			Paramount
The Blackboard Jungle				HTN	(C)	MGM/UA
Bloodbrothers					C	Warner Bros
The Blue Lagoon		ST	TMC			Columbia
Bobby Deerfield				HTN		Warner Bros
The Boogey Man			TMC			GS
The Boss' Son			TMC			Boss' Son Productions
Breaker Morant				HTN*	C	New World
Breakthrough	HBO*					Worldvision
Brian's Song		ST		HTN	C	Columbia
Cabo Blanco					C*	Embassy
Callaway Went Thataway		ST				MGM/UA
The Cannonball Run	HBO*					HBO
Carry On, Emmanuelle		ST*				Excel Video
Cattle Annie and Little Britches	HBO				(C)	Hendale
The Chinese Connection			TMC			Richard Graff
Circle of Two	HBO		TMC			World Northal
Clash of the Titans	(HBO)		TMC*	HTN*		MGM/UA
The Conqueror					C*	Universal
Continental Divide	(HBO)	(ST)	(TMC)	HTN*		Universal
Contract on Cherry Street	HBO					Columbia
Deadly Blessing	HBO*					PolyGram
Deadly Games		(ST)	TMC			Atlantic
Death in Venice					C	Warner Bros
Death Valley			TMC			Universal
Drive-In					C*	Columbia
Elvis	(HBO)	ST*		(HTN)		Worldvision
Endless Love	HBO					PolyGram
The Enforcer	HBO*					Warner Bros
The Exterminator			TMC			Embassy
Eye of the Needle	(HBO)	ST*	(TMC)			MGM/UA
Fade to Black			TMC			Compass International
Far from the Madding Crowd	(HBO)	(ST)		HTN*		MGM/UA
Fear No Evil					C*	Embassy
The Fifth Musketeer					C	Columbia
The Fixer					C*	MGM/UA
Flash Gordon	(HBO)				C*	HBO
Foul Play	HBO	ST*	(TMC)			Paramount
The Four Seasons	(HBO)	(ST)	(TMC)	HTN*		Universal
Free Spirit			TMC			Brenner
Galaxy of Terror	(HBO)	ST				New World
The Gathering				HTN		Worldvision
Gigi	(HBO)	(ST)		HTN*		MGM/UA
The Glass Bottom Boat		(ST)			C	MGM/UA
Greased Lightning	HBO			HTN		Warner Bros
The Great Bank Hoax				HTN		Warner Bros
The Great Texas Dynamite Chase					C*	New World
Gulliver's Travels			TMC			Art Greenfield
The Gumball Rally				HTN	(C)	Warner Bros
Hangar 18		ST	--(TMC)	(HTN)		Worldvision
The Hanging Tree				(HTN)	C	Warner Bros
Hans Christian Anderson's Magic Adventure					C	Angel Ibarra
Harry's War	HBO	ST	TMC			Cy Fisher
The Happy Hooker Goes to Hollywood					C	Swank
The Happy Hooker Goes to Washington					C*	Swank
Headin' For Broadway	HBO					20th Century Fox
Heartbeeps			TMC*	(HTN)		Universal
Heartland		ST	TMC			William Morris
Heaven Can Wait	(HBO)	ST	(TMC)			Paramount
Hell Night			TMC			Compass International
The High and the Mighty				HTN	(C)	Batjac
High Risk	(HBO)	(ST)	TMC			Viacom
H.O.T.S.		(ST)	TMC		(C)	Blum Group
Honky Tonk Freeway					C*	AFD
How I Won the War			(TMC)		C	MGM/UA
The Hunter			(TMC)		C*	Paramount
I'll Cry Tomorrow		(ST)		HTN	C	MGM/UA
The Incredible Shrinking Woman		(ST)	TMC	(HTN)		Universal
The Incredible 20th Century				HTN*		20th Century Fox
In Praise of Older Women					C	Embassy
The Irishman	HBO					Atlantic
It Lives Again					C	Warner Bros
It Rained All Night the Day I Left			TMC*			Viacom
Jack the Giant Killer					C	MGM/UA
Kagemusha				HTN		20th Century Fox
Key to the City		ST				MGM/UA
The Kid from Not So Big	HBO			HTN		Film Gallery
Kill and Kill Again	(HBO)	ST	(TMC)			Film Ventures
Knightriders			TMC*			United Film
The Last Giraffe					C	Worldvision
Let's Do It Again					C	Warner Bros
Lion of the Desert	HBO					Magnum
Little Darlings		ST	(TMC)		C	Paramount
Looker	HBO	ST	TMC	HTN		Warner Bros
Looking For Mr. Goodbar	HBO	(ST)	(TMC)			Paramount
The Looney, Looney, Looney Bugs Bunny Movie	HBO	(ST)	(TMC)	(HTN)		Warner Bros
Loose Shoes		ST*	(TMC)			Film Gallery
Love Me Or Leave Me		(ST)		HTN		MGM/UA
Lovers and Liars			TMC			Samuel Goldwyn Co
Lunch Wagon		ST*	TMC		C	Seymour Borde
M					C*	Janus
Mad Max					C	Orion
Made in Paris		(ST)		HTN		MGM/UA
The Man with Bogart's Face		ST*	TMC	HTN*	(C)	Viacom
McLintock				HTN	(C)	Batjac
Mogambo				HTN*		MGM/UA
Mommie Dearest	HBO	ST	TMC			Paramount
Moscow Does Not Believe in Tears		ST	TMC			IFEX
Mr. Klein			TMC			Columbia
Murder at the World Series					C	HBO
My Champion	(HBO)	ST				Film Gallery
Ned Kelly			TMC			MGM/UA
The Nesting	HBO					Quality Cable
Never Never Land	HBO		(TMC)			Thorn EMI
Nightmare					C*	HBO
Nine to Five			TMC*	HTN*		20th Century-Fox

Cable stats

Film	Networks					Distributor
No Nukes			TMC		C*	MUSE
Nothing by Chance				HTN		Cornith
The Octagon					C*	ACI
The Other Side of the Mountain, Part II	HBO*		(TMC)	(HTN)		Universal
Outland	HBO	ST	TMC	HTN		Warner Bros
Outrage		ST				MGM/UA
Penelope				HTN	C	MGM/UA
The Pilot	HBO		TMC	(HTN)		Atlantic
The Pinchliffe Grand Prix		ST*	TMC		C*	G.G. Communications
Popeye				HTN*		Paramount
The Private Eyes				HTN*	(C)	HBO
Quo Vadis		(ST)		HTN		MGM/UA
Raggedy Man	(HBO)	(ST)	(TMC)	HTN*		Universal
Rashomon					C	Janus
The Return			TMC			J&M
The Return of a Man Called Horse					C	MGM/UA
Robin ad Marian					C	Columbia
Rockshow					C	Miramax
Rollercoaster	HBO			HTN		Universal
Royal Wedding		(ST)		HTN*		MGM/UA
Search and Destroy	(HBO)	ST*				Viacom
Sex Ray		ST				Miramax
Shipwreck		(ST)	TMC	HTN	C*	Warner Bros
Silence of the North			(TMC)	HTN*		Universal
Sinbad and the Eye of the Tiger					C	Columbia
Sphinx		ST		HTN*		Warner Bros
The Spiral Staircase	HBO*			(HTN)		Warner Bros
Spirit of St. Louis				(HTN)	C*	Warner Bros
The Split					C	MGM/UA
St. Helens	HBO*					Michael Murphy
Strange Behavior		ST*				World Northal
Student Bodies	HBO		TMC*			Paramount
Superfly					C	Warner Bros
Sweet Sugar		ST*				Swank
The Talking Whale					C*	ITC
Tarka the Otter		ST*		(HTN)		Satori
Tarzan, The Ape Man	(HBO)	ST*	(TMC)			MGM/UA
Tess	(HBO)			HTN		Columbia
The 39 Steps	HBO			HTN*		Rank
This is Elvis		ST*		(HTN)		Warner Bros
Times Square			TMC			AFD
Treasure Island		ST*		(HTN)		Warner Bros
Tribute					C	HBO
Trilogy		ST				Viacom
Tulips	HBO					Embassy
Under the Rainbow	(HBO)	ST*	(TMC)	HTN		Warner Bros
Urban Cowboy					C	Paramount
Viva Las Vegas				HTN		MGM/UA
The Water Babies			(TMC)	HTN		Scott Moger
The Way We Were				(HTN)	C*	Columbia
Which Way is Up?	HBO		(TMC)			Universal
Willy Wonka and the Chocolate Factory	HBO*			(HTN)		Warner Bros
Women in Love					C*	MGM/UA
Young and Free	(HBO)	ST			(C)	Manson
Zorro, The Gay Blade	(HBO)	(ST)	(TMC)	HTN*		20th Century-Fox

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in April, May, June, July and/or August.

■ An asterisk following a network indicates the film is a carry-over from April, May, June, July and/or August.

■ In total, 180 films appear on the September schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (April-September 1982), 10 films have appeared on four of the five services, 29 on three and 53 on two services. Eighty-eight films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 30, followed by Warner Brothers with 25 and Paramount with 14. Effective this month, Filmways pictures will be listed under Orion, in conjunction with the company's recent name change.

■ Faye Dunaway as Joan Crawford in "Mommie Dearest" appears on Showtime, The Movie Channel and Cinemax program guide covers this month. Sharing the stage with Faye on the TMC guide is "Outland," "All The Marbles" and the Richard Burton/Tatum O'Neal drama "Circle of Two." Showtime's cover also depicts "All the Marbles," excerpts from "Romance," "Faerie Tale Theater" and "Morning's at Seven"—all original programming. Richard Harris's portrayal of King Arthur in "Camelot" dons the HBO cover, with Harris also sharing space on Cinemax's cover.

STV licensees

NEW YORK

Smithtown
Franchisee: WHT (Wometco Home Theatre)
Licensed station: 67
3200 Expressway Dr. S
Central Islip, N.Y. 11722
(516) 582-6700
General manager: Herb Lefkowitz
Franchisee parent firm: Wometco Enterprises Inc
Metro population: 967,350
Application granted date
Start-up date: 1/80
Programming: Recent major films, sports and entertainment specials. "Nightcap" late night adult fare
Subscribers:*
Rates: Installation: $60.00
Monthly: $21.00
*Combined Newark, N.J. and Smithtown, N.Y.

OHIO

Cincinnati
Franchisee: ON TV
Licensed station: 64
5179 Fishwick
Cincinnati, Ohio 45216
(513) 641-4400
General manager: James Casey
Franchisee parent firm: Home Entertainment Network, a subsidiary of United Cable Television Corp.
Metro population: 686,000
Application granted date: 6/77
Start-up date: 2/80
Programming: ON TV, stand-alone programming and program guide based in Cincinnati office. ON PLUS, adult tier programming locally
Subscribers: *69,016 (as of 6/15/82)
Rates: Installation: $54.95
Monthly: $20.95 Additional tier: $4.95
*Combined Cincinnati and Dayton

Cleveland
Franchisee: Preview
Licensed station: 61 WCLQ
4950 Harvard Ave
Cleveland, Ohio 44105
(216) 641-6420
General manager: Tom Tryanor
Franchisee parent firm: American TV and Communications Corp. (ATC)
Metro population: 3,719,300
Application granted date: 9/78
Start-up date: 3/81
Programming: Blockbuster movies
Subscribers: 31,000 (as of 8/1/82)
Rates: Installation: $59.95 Deposit: None
Monthly: $21.95 Additional tier: None

Dayton
Franchisee: ON TV
Licensed station: 66
5170 Fishwick
Cincinnati, Ohio 45216
(513) 641-4400
General manager: James Casey
Franchisee parent firm: Home Entertainment Network, a subsidiary of United Cable Television Corp.
Metro population: 300,000
Application granted date: 6/77
Start-up date: 6/81
Programming: ON TV, stand-alone programming and program guide based in Cincinnati office. ON PLUS, adult tier programming locally
Subscribers: *69,016 (as of 6/15/82)
Rates: Installation: $54.95
Monthly: $20.95 Additional tier: $4.95
*Combined Dayton and Cincinnati
*Combined Dayton and Cincinnati

OKLAHOMA

Oklahoma City
Franchisee: Golden West STV of Oklahoma City Inc.
Licensed station: 43 KAHC
11901 North Eastern
Oklahoma City, Okla. 73113
(405) 478-4300
General manager: George Hicks
Franchisee parent firm: Golden West Broadcasters
Metro population: 1,000,000
Application granted date: 3/6/80
Start up date: 10/15/80
Programming: Movies, sports
Subscribers: 15,000 (as of 6/82)
Rates: Installation: $49.95
Monthly: $25.95

Tulsa
Franchisee: Tulsa STV (Subscription Television)
Licensed station: 41 KGCT
5455 S. 99 East Ave
Tulsa, Okla. 74145
(918) 622-3891
General manager: Jack Mann
Franchisee parent firm: Satellite Syndicated Systems Inc
Metro population: 400,000
Application granted date: 11/80
Start-up date: 3/23/81
Programming: Basic, movies, sports, adult programming
Subscribers: 10,000 (as of 8/1/82)
Rates: Installation: $29.95 Deposit: $50.00
Monthly: $22.95 Additional tier: $4.95

OREGON

Greater Willamette Valley (Salem)
Franchisee: Willamette Subscription TV
Licensed station: 22 KECH
9320 SW Barbur Blvd. PO 19817
Portland, Ore. 97219
(503) 293-6666
General manager: Chris Desmond, Arnold Brestin
Franchisee parent firm: Willamette Subscription TV
Metro population: 788,000
Application granted date: 7/81
Start-up date: 1/82
Programming: ON TV, movies, sports, concerts, pay-per-view
Subscribers: 13,000 (as of 8/21/82)
Rates: Installation: $59.95 Deposit: None
Monthly: $19.95 Additional tier: $4.95

PENNSYLVANIA

Philadelphia
Franchisee: PA Pay TV
Licensed station: 57 WWSG
300 Domino Lane
Philadelphia, Pa. 19128
(215) 483-4550
General manager: Al Tedesco
Franchisee parent firm: RBC Communications Corp. (Radio Broadcasting Co.)
Metro population: 6,000,000
Application granted date: 10/78
Start-up date: 6/15/81
Programming: Movies, sports
Subscribers: 12,000 (as of 5/15/80)
Rates: Installation: $39.50
Monthly: $19.95

TEXAS

Dallas
Franchisee: Preview
Licensed station: 27 KTWS
433 Regal Row
Dallas, Texas 75247
(214) 637-1234
General manager: John Kruger
Franchisee parent firm: American TV & Communications Corp. (ATC)
Metro population: 3,563,200
Application granted date: 4/80
Start up date: 1/26/80
Programming: Blockbuster movies
Subscribers: 32,900 (as of 6/12/82)
Rates: Installation: $24.95
Monthly: $19.95

Dallas/Fort Worth
Franchisee: National Subscription TV of Ft. Worth
Licensed station: 21 KTXA
1722 E. Randol Mill Rd
Arlington, Texas 76011
(817) 261-3366
General manager: Ed Frazier
Franchisee parent firm: Oak Communications
Metro population: 1,200,000
Application granted date: 3/80
Start up date: 2/28/81
Programming: ON TV
Subscribers: 26,276 (as of 8/10/82)
Rates: Installation: $49.95 Deposit: $25.00
Monthly: $19.95 Additional tier: $5.00

Dallas
Franchisee: Golden West STV of Dallas Inc.
Licensed station: 33 KNBN
901 West North Carrier Parkway
Grand Prairie, Texas 75050
(214) 988-3005
General manager: George Hicks
Franchisee parent firm: Golden West Broadcasters
Metro population: 3,500,000
Application granted date: 3/5/80
Start-up date: 11/15/80
Programming: Movies, sports
Subscribers: 40,000 (as of 8/82)
Rates: Installation: $49.95
Monthly: $19.95

WISCONSIN

Milwaukee
Franchisee: SelecTV
Licensed station: 24 WCGV
4085 N. 128 St
Brookfield, Wis. 53005
(414) 783-4940
General manager: Glen Clark
Franchisee parent firm: SelecTV
Metro population: 1,570,275
Application granted date: 6/73
Start up date: 6/80
Programming: Basic tier—Prime Time. Adult tier—Night Owl
Subscribers: 30,000 (as of 8/1/80)
Rates: Installation: $49.95 Deposit: $50.00
Monthly: $22.45 Additional tier: $5.00

WISHING ON A STAR

By Fred Dawson

For anyone who still thinks DBS stands for Definitely Blue Sky, a word of caution: The rush of recent events has put a slightly different connotation on those letters—it's more like Direct Broadcast Stampede.

The key development, of course, has been the FCC's approval of extremely liberal interim rules for licensing and operation of direct broadcast satellites (DBS), setting the stage for rapid action on eight applications already in the works. In addition, with the recent announcements by Oak Satellite Corp. and United Satellite Television that they intend to deliver medium-power DBS signals from the Canadian Anik C-2 satellite soon after it is launched in May of 1983, the debut of what some call pseudo-DBS could come as early as mid-1983.

Now that much more of the technological, regulatory and developmental framework is in place, the assumption that DBS operations will be limited to a few premium services and a largely rural marketplace is not necessarily valid. There are other possibilities.

It is conceivable that by 1987, virtually anyone, anywhere, owning or leasing a single two- to three-foot non-rotating antenna could have push-button access to 30 or more channels or varied services, ranging from basic cable-like programming through scrambled premium channels to pay-per-view and teletext.

But technology and regulation have only recently made such a scenario feasible. Despite the promise, there are significant barriers to development of this budding industry, including scarcity of capital, lack of cooperation among DBS applicants and disagreements over the nature of the DBS market appeal. In fact, with other television delivery systems rapidly reducing the number of unserved households, there are many experts who would side with Alan Flaherty, senior associate of Kalba Bowen Associates and former vice president and general manager of Golden West STV, who says DBS is in danger of being "a technology whose time has passed before it's come."

The advocates of DBS are betting millions there's a gold mine in cable's leftovers. Or do they have a grander scheme in mind?

As envisioned by the FCC in its June 23 rulemaking, DBS will operate in the 12.2 to 12.7 GHz portion of the Ku-band, with uplinks in the 17.3 to 17.8 GHz spectrum. If all current plans are realized, there could be 35 satellites devoted exclusively to DBS operating by 1988, with another handful of Ku-band birds offering some DBS transponder space as well.

There are 10 applications for full-scale national DBS operations now pending before the FCC (a count that excludes the limited regional application approved for filing from Focus Broadcast and the medium-power DBS plan of United Satellite Television). The eight applications already approved for filing represent a diversity of approaches that could only be taken under one of the most liberal rulemakings in FCC history.

Ground rules

In its decision the commission said this "flexible" approach is designed to ensure rapid delivery of DBS to the public and to let the marketplace determine the right product mix. Applicants opting for control over programming will be subject to the provisions of the Communications Act pertaining to broadcasters, while those going the

Proposed DBS programming

Applicant	Types of Service Proposed (By Channel)
CBS Inc.	**(1)** HDTV, stereo sound delivery of network programming to affiliate stations: **(2)** HDTV Pay Service to cable systems and direct to households; **(3)** Other pay TV to home services as well as satellite-to-theater distribution and closed circuit to business and other entities.
Direct Broadcast Satellite Corp.	**(1-6)** Leased on common carrier basis.
Graphic Scanning Corp.	**(1-2)** Direct-to-home subscription services, including movies and other video programming as well as wide range of teletext.
Oak Satellite Corp.	**Phase 1** (from Anik C to U.S. Northeast): **(1)** ON TV like subscription to non-cable market households as well as SMATV, MDS, LPTV, cable systems, etc.: **(2)** Specialized pay TV to same markets as above, including old movies, news, culture, etc. **Phase 2** (from 1 DBS satellite to Northeast and Southeast U.S.): **(1-2)** Same as Phase 1; **(3-4)** Advertiser supported services; **(5-6)** Leased to other programmers. **Phase 3** (from 4 DBS satellites to entire U.S.): **(1-6)** Same as Phase 2; **(7-12)** To be determined.
RCA Americom Inc.	**(1-6)** Leased to other programmers on non-common-carrier basis, with possible reservation of 1 or 2 channels for NBC and other RCA subsidiaries.
Satellite Syndicated Systems Inc.	**(1)** Pay-per-view from variety of sources; **(2)** Subscription movie service; **(3)** SPN-type programming and "Home Satellite Mail Service."
Satellite Television Corp. (Comsat)	**(1)** Movies, concerts, etc. offered on pay-per-view and subscription basis; **(2-3)** Wide range of programming similar to basic cable.
United States Satellite Broadcasting Co.	**(1)** General broadcast network type programming, advertiser supported, distributed to independent TV stations; **(2)** 24-hour news; **(3)** To be determined.
Video Satellite Systems	**(1)** General broadcast network type programming, advertiser supported, distributed to independent TV stations; **(2)** To be determined.
Western Union	**(1-4)** Leased channel service on non-common-carrier basis.

Cooperation among DBS operators might lead to major economies of scale, as well as more programming choices for DBS customers.

common carrier route will be governed by common carrier statutes. But neither type of applicant will be subject to the FCC's own non-statutory broadcast and common carrier rules, with the exception that the broadcast group will have to meet the commission's equal opportunity requirements. Thus, DBS operators offering broadcast-like services will be subject to the fairness doctrine of the Communications Act, but not to FCC ascertainment requirements or to multiple ownership rules not mandated by statute.

The interim licenses will be granted for five years with the stipulation that construction contracts be completed within a year of the permit grant and that operations begin within six years. There are no restrictions on the number of channels any one operator can control. All construction permits will be subject to the outcome of the 1983 Region 2 Administrative Radio Conference (RARC), which will set DBS frequency and orbital slot allotments for nations of the Western Hemisphere.

Among the DBS applicants, there are giants like RCA Americom, Western Union and Comsat, as well as newly formed ventures that will require a very positive response from the financial community if they are to get off the ground. Capital projections for satellite hardware and launch alone hover around $500 million per applicant, with a low of $136 million in the Graphic Scanning Co. application and a high of $760 million envisioned for the four extremely high-powered birds of RCA Americom. (See accompanying story and charts for detailed descriptions of each applicant's programming and launch plans.)

While the DBS applications have been found wanting in many respects, no one has criticized them for lack of imagination in the variety of approaches taken to programming and distribution. Some applicants, like Comsat's Satellite Television Corp. and Hubbard Broadcasting's United States Satellite Broadcasting, plan to develop their own programming over three or four channels of service to be beamed to each DBS zone. Others, like RCA Americom and Oak Satellite Corp., will develop some of their own programming and select the remainder from other providers. One applicant, CBS would use DBS for delivery of high-definition television. However, the FCC's failure to endorse the CBS call for major utilization of the DBS spectrum for HDTV leaves some doubt over whether CBS will proceed with its plan. And one applicant, Direct Broadcast Satellite Corp., intends to makes its six national and 24 spot beam channels available to programmers on a first-come, first-served basis, with sufficient flexibility to accomodate pay-per-view, teletext and HDTV, as well as the more traditional programming formats.

Some applicants see the rural resident as the primary customer, while others are geared to appeal to SMATV, MDS and cable operators, independent broadcast stations, urban dwellers or other likely customers for premium services.

Affordable gear

The gleam in the eyes of all these applicants is a reflection off that tiny $300 dish. Contrary to what some believe, it is not the higher Ku-band frequencies that make two-foot antennas and other low-cost DBS receiving equipment possible. In fact, the higher frequencies, subject as they are to greater losses from rain and other atmospheric conditions, would require even larger earth stations than those currently employed for C-band signal reception were it not for the higher transmitting power called for in the DBS applications. While most currently operating C-band transponders deliver at five or six watts of transmitting power, the DBS proposals typically call for some 200 watts per transponder, with some going as high as 400 watts.

The size and weight of the equipment necessary to deliver such power limits the number of transponders to four or six per satellite, as compared to the 24 transponders typically operating on C-band satellites. In addition, the higher power beams cover less territory, which means a DBS operator will have to launch three or four satellites just to deliver six channels of programming nationwide.

(There is a small-scale battle going on among DBS applicants over just how many satellites are necessary to

Can the lineup stand up?

An important point overlooked in many discussions about direct broadcast satellite (DBS) systems is that under current applications and FCC doctrine, DBS very well could end up being dominated by some of the same services offered by cable television. The fate of DBS is not necessarily wedded to the success of made-for-DBS programming services.

Because Comsat's Satellite Television Corp. (STC) has been in the forefront for nearly three years, STC's approach to programming made-for-DBS only is often skepticism. There are already 47 television services operating from C-band satellites and another 21 planned for near-term startup. Who needs still more programming services?

The truth is, the lion's share of proposed DBS channel capacity is not slated strictly for new programming ventures. The total number of proposed channels with nationwide reach in the 10 DBS applications before the FCC is 47 (which is at least 11 more than is feasible within the 500 MHz spectrum allotted for DBS delivery), and only 16 of those have been designated by applicants as channels exclusively for new services. The remaining 31, constituting 66 percent of the total, are intended for lease to program suppliers who may or may not be suppliers of programming already developed for other delivery modes.

If these proportions hold as the FCC issues construction permits, this would mean that out of the 36 nationwide channels feasible for DBS delivery, only 34 percent, or 12 channels, would be used for new programming developed by DBS operators. [Note: There would be 36 channels feasible if the minimum proposed bandwidth of 16 MHz is adopted. The last Regional Administrative Radio Conference recommended 18 MHz.]

Four applicants are putting all their eggs in the new programming basket and two more would lease some channels and use others for their own new services. In the first category are STC (three channels), United States Satellite Broadcasting (three channels), Video Satellite Systems (two channels) and Graphic Scanning Corp. (two channels). In the second group are Oak Satellite (four channels of Oak programming, with one channel effectively a replication of ON TV, two channels designated for leasing, and six channels for undetermined use after 1988) and Satellite Syndicated Systems (four SSS-programmed channels and two to be leased). Oak and SSS are not among the first-round DBS applicants and will have to await processing of all initial applications already approved for filing before getting a reaction to their proposals.

In a class all its own is CBS, which would rely on programming already developed for broadcast, cable and other outlets to fill its three channels. The CBS approach is to deliver three categories: regular network fare, premium service and pay-per-view—in an HDTV mode. With its new pay-per-view production deal with 20th Century-Fox, CBS will be developing the foundation for premium and pay-per-view services regardless of DBS plans, which are in abeyance owing to lack of spectrum space available for terrestrial delivery of HDTV.

The three remaining applicants—which offer 16 channels among them, and include Direct Broadcast Satellite Corp., RCA Americom and Western Union—would lease their transponders to other entities who may or may not be using programming already developed for other delivery systems.

As for the six DBS applicants who are relying heavily on their ability to develop made-for-DBS fare, most have identified what they believe to be markets so viable that it's worth the effort to start new programming ventures.

In STC's case, the primary markets are SMATV and rural residences. While the SMATV market would pit STC against established program suppliers, especially if resistance of cable's pay TV suppliers to that market is broken, STC's only competition in the rural marketplace would be other DBS distributors. Analysts generally agree that the underserved rural areas comprise a lucrative market, but most doubt the pie can be cut more than two or three ways, let alone 10. STC has budgeted $76 million for program service development, which will be done through purchase of product from established producers. (See accompanying story on STC's plans, page 20.)

United States Satellite Broadcasting's (USSB) approach is by far the most ambitious among the first-round applicants. A subsidiary of Minneapolis-based Hubbard Broadcasting, which operates independent television stations in its home base, Albuquerque, N.M., Cyprus Gardens and St. Petersburg, Fla., the company wants to establish a fourth national broadcast television network using Ku-band satellites.

The fourth network

According to USSB Vice President Robert Fransen, the first of USSB's three DBS channels will have formats much like the other major broadcast networks have, with situation comedies, variety shows, drama, movies, public affairs, news and sports programming from a variety of sources, including the participating independent stations themselves. USSB plans to spend $600 million of its $960 million budget to get this programming together and anticipates ad revenues of $840 million annually. While the primary purpose is to distribute programming to affiliated stations, the first channel signal would be unscrambled so that anyone with DBS reception equipment could pick it up, thereby increasing the advertising base.

Fransen said over 100 stations, including some current network affiliates, have expressed interest in the venture, as have several potential sources of financing. But as with all the applicants, progress awaits final FCC approval.

USSB also plans to operate a 24-hour news service, which critics say is unnecessarily duplicative. No decision has been made yet on what USSB will put on its third proposed DBS channel.

Video Satellite Systems (VSS) also intends to develop programming for distribution by broadcast stations, but its signal will be scrambled and unavailable to homes served by the VSS affiliates. About 10 hours worth of daily programming is to be developed by a companion company, Dominion Satellite Network of Naples, Fla., which has begun building studios, according to company sources. The remainder of the programming for the first channel, which will feature broadcast TV-like family entertainment, will be obtained from other sources. VSS intends to offer public affairs and religious programming on its second channel.

> *'We're looking to meet today's needs, but we don't want to have to throw the system out tomorrow.'*
>
> *Bob Zitter,*
> *director of network operations,*
> *HBO*

VSS President George Metcalf, a former communications engineer for NASA, indicated programming efforts will remain on hold until the FCC gives the go-ahead. With capital requirements of $228 million, Metcalf acknowledges, "It's going to take a lot of guts to pull off this DBS caper."

Graphic Scanning Corp., an Englewood, N.J.-based specialist in electronic paging and data communications services, has asked permission to operate two DBS channels of premium services, including movies, sports and performing arts, using the vertical blanking interval for delivery of textual material.

Leading the pack

Oak, with one channel dedicated to a premium service in the style of ON TV, appears to be moving into position as a large-scale programmer under the DBS banner. Oak will be the first supplier of DBS programming, starting with Canada's Anik C in the Northeast U.S. in 1984. The lineup eventually might include advertiser-supported projects in the narrowcasting mode and possibly a nationwide "university of the air." The phased development plans both of SSS, already a program provider on C-band, and of Oak allow the maximum flexibility to lease space to other providers if the economics of DBS so dictate.

While all of these plans constitute an ambitious undertaking in new programming, there is every indication that DBS will end up being another distribution system for programmers already in operation, especially pay-per-view providers.

Pay-per-view is a theme running through the minds of many applicants, as is HDTV. Together these concepts present a formidable opportunity for DBS to capitalize on services that are cutting their teeth in the present marketplace.

As other currently operating providers—HBO, The Movie Channel, Showtime, *et al.*—watch the developing DBS scenario, one cannot assume their loyalty to cable will bar them from DBS transponders, especially if other programmers appear to be gaining a competitive edge in new markets. Asked whether HBO is looking at DBS, Bob Zitter, director of network operations, replied: "We haven't made a decision yet." He added that in deciding on an encryption system for its C-band operation, the company is taking into account the potential for DBS operations. "We're looking to meet today's needs," he said, "but we don't want to have to throw the system out tomorrow."

Bill Pritchard, president of DBS Corp., believes his company's common-carrier approach to leasing transponders holds the greatest promise for opening DBS up to every type of programming imaginable at national distribution prices far below current modes. "We expect the hourly lease rate for transponder space to cover the entire nation to be under $10,000," he said. "DBS isn't just premium television. It will be advertiser-supported programming, news, public affairs, data and information services of all kinds. Broadcasting stations in orbit is our idea of what DBS will be."

At $10,000 an hour it's not hard to imagine that many of the 47 programming services currently operating on C-band satellites will be waiting in line to gain access to the DBS subscriber universe. —*FD*

DBS proposed system profiles

Applicant*	# of channels	Channel Bandwidth	Time Frame	Capital Investment	# of Satellites (spares)	Downlink Power Per Transponder
CBS Inc.	3	27 MHz	Uncertain	Not Filed	4 (2)	400 Watts
Direct Broadcast Satellite Corp.	6 Nationwide, 24 spot beam channels to cities or other small geographic areas	22.5 MHz	1986 launches	$600 M	3 (1)	200 Watts (spot beams to be low power)
Graphic Scanning Corp.	2	18 MHz	1986 launches	$136M	2 (1)	300 Watts
Oak Satellite Corp.	2-Phase 1 6-Phase 2 12-Phase 3	N/A	Phase 1-1984 Phase 2-1986 Phase 3-1988	Phase 1-$152 M Phase 2-$119 M Phase 3-N/A	Phase 2-1 Phase 3-4 (2)	N/A
RCA Americom Inc.	6	24 MHz (2 upgradable to 72 MHz for HDTV)	Not Filed	$760 M	4 (2)	230 Watts
Satellite Syndicated Systems Inc.	6	N/A	Pay-per-view to begin from Spacenet 1 in 1984	$529 M	4 (2)	N/A
Satellite Television Corp. (Comsat)	3	16 MHz	1986 launches	$400 M	4 (2)	185 Watts
United States Satellite Broadcating Co.	3	16 MHz	Mid 1980s launch	Uncertain	2 (1)	230 Watts
Video Satellite Systems	2	18 MHz	1985-1986 launch	$288 M	2 (1)	150-190 Watts
Western Union	4	16 MHz	1985 launch	$450 M	4 (2)	100 Watts

*All applicants with exception of Oak Satellite and Syndicated Satellite Systems have been approved for filing. Oak and SSS will be treated as second round applicants.

allow one operator to reach the entire country. The FCC's preliminary position is that it wants to go to RARC '83 asking for four zones of coverage for U.S. DBS services. But there are many applicants who argue that 200 watts per transponder—permitting a division of three zones—is a cheaper and better way to go. The medium-power DBS applications of Oak and USTV, envisioning 40 watts per transponder, lend weight to the argument that 300 or 400 watts per transponder might be overkill.)

Given the extraordinary expense of multiple satellite launches, DBS operators have to rely on reaching the masses with low-cost home earth stations and receivers. In its Preliminary Assessment of Prospects and Policy Issues pertaining to DBS, Kalba Bowen Associates speculated that Comsat's STC would break even in the late 1980s if it were to sign up five million subscribers at $25 per month. This estimate was based on a hardware and launch budget of $400 million together with programming costs running at 25 percent of subscriber revenues. Under this analysis, the reception equipment, including installation, would be priced at $800 initially, declining rapidly to about $300. Satellite Television Corp. anticipates lower initial equipment costs, which would result in an earlier breakeven date, all other things being equal.

The consensus among manufacturers appears to be that DBS home receiver antenna packages in three to four years will be priced from under $300 to nearly $700. The upper end of the spectrum reflects the higher cost for 1.2 meter equipment that will be employed to receive the medium-power DBS signals of USTV. The DBS equipment prices would be well under current C-band home reception hardware costs, which begin at $2,800 for the cheapest systems. DBS applicants call for a number of approaches to getting equipment in the home, including

> *'DBS is in danger of being "a technology whose time has passed before it's come."'*
>
> *Alan Flaherty,*
> *senior associate,*
> *Kalba Bowen Associates*

long-term financing and leasing arrangements.

Too many players

Analyzed in the context of the current go-it-alone approach of most applicants, DBS doesn't look like a hot item to many observers. Ten DBS operators competing for the same rural subscriber market, they say, will leave a lot of losers on the playing field. At $500 million in start-up costs and tens of additional millions to cover programming, it will take penetration in the five to 10 million household range to bring the per-home costs into reasonable line with other delivery systems. (The exception is cable, which at $600 or better per home at current construction costs is well over the $250 per-home cost associated with a DBS operator reaching five million subscribers—but cable's per-channel/per-home costs are way under the DBS ratio.)

Bob Smith, Chase Manhattan vice president responsible for lending in telecommunications, offers a market analysis that mirrors the opinions of many experts. On the assumption that any one subscriber to DBS service will be getting only three or four channels of programming, Smith sees the DBS a market as limited primarily to homes in areas receiving five or fewer channels of service from all sources.

By 1990, he said, this market probably will amount to between 15 million and 20 million homes. Calculating a 30 percent penetration rate at monthly subscriber fees of $25, Smith said DBS could have about six million potential subscribers by 1990. AT $300 billion per year per subscriber, this would mean in its universe a $1.8 billion market.

Divided among four DBS providers, Smith said, this would constitute a lucrative business, producing on the order of $200 million in operating income per operator. But with at least ten applicants vying for this market, Chase Manhattan would be willing to back only the strongest players, probably limiting itself to two. To effect such financing, Chase would probably participate with two or three other banks in an effort to form a lending group of 12 to 14 institutions. Smith said the likely financing arrangement would involve a two- or three-year revolving credit, peaking in the third year, with full repayment in year four.

Smith is skeptical of the ability of some DBS applicants to raise the money. He points out that there already is a "large overhang" of $6 billion in outstanding financing of satellite projects. "It's difficult to envision banks and others coming up with the additional $4.5 billion needed by all the DBS participants, especially under current economic conditions," he said.

Bob Filep, president of Communications 21 Corp., a specialist in communications ventures, goes even further than Smith in cautioning against over-enthusiasm for DBS. For one thing, he notes, the rapid penetration of cable, MDS, SMATV and STV has been cutting into the presumed rural marketplace for DBS. In addition, he contends that DBS applicants have "grossly underestimated" programming and other front-end costs, probably by as much as 20 percent. Filep predicts only three DBS providers will ultimately survive.

Comsat's Satellite Television Corp. will offer its DBS customers 2½-foot satellite receiving antennas, similar to the one pictured here.

Copycats

Product duplication underlies much of the pessimism about DBS and its ability to expand out of the shrinking rural market. According to Alan Flaherty of Kalba Bowen, "The long-term salvation of DBS may come in the form of high-definition television. This is the type of product differentiation that may produce a distinction for DBS as a delivery system in markets already served by other providers."

Paul Bortz, a partner in the consulting firm of Browne, Bortz & Coddington, which prepared a report on DBS for the National Association of Broadcasters last year, recently told a seminar audience at the Satellite Communications Users Conference in Denver: "Bankers are getting hip to the pay TV downside, and DBS is a late player in the game. It is positioning itself as a copycat, something I always find puzzling. To me, there's not a whole lot that's bankable in the DBS plans."

The rationales behind these bleak assessments of DBS potential by leading observers of the pay television marketplace explain why DBS ranks pretty low on most cable operators' lists of things to worry about. Larry Howe, ATC senior vice president of development and another Denver satellite conference participant, expressed views common to many cable operators when he cited SMATV as the major challenge for the cable industry.

ATC and other operators, he noted, have begun forays into SMATV themselves. But when it comes to DBS, he said, the cable industry's edge in programming options, established presence and marketing know-how are hard to overcome. Howe predicted that any effort by DBS operators to penetrate markets already claimed by other service providers will encounter the same difficulties ATC has had in selling STV in Dallas and Boston.

Combine and conquer

Obviously, if all the foregoing observations are accurate, DBS won't pose much of a threat in cable markets. Noticeably absent in these views is consideration of how cooperation among DBS operators might lead to major economies of scale, as well as more programming choices for DBS customers.

Right now, several DBS applicants are looking for ways to improve their competitive standing through cooperation with each other. For example, Hubbard Broadcasting's USSB (United States Satellite Broadcasting) has called for a system of sharing backup transponder space to cut down on the number of spare satellites that would have to be launched by applicants. There also has been talk of a shared space platform from which all DBS signals could be broadcast via powerful transmitters.

Another factor that could improve satellite efficiency is signal cross-polarization, which permits twice as many channels per satellite. GTE's G-Star I will be the first Ku-band satellite employing the technology, which was developed by Jack Keigler, manager of Communications Satellite Systems for RCA Astro-Electronics.

More important than any of these endeavors would be joint efforts aimed at facilitating access to more channels at the subscriber level. In this regard, two common misconceptions ought to be dispelled. One is that reception of DBS signals is technically impossible in the urban environment. The other is that a DBS dish would have to be repositioned in order to shift reception from one satellite to another.

As for DBS signal limitations in the urban environment, RCA Astro-Electronics' Keigler has this to say: "There is no technical barrier to reception in urban areas. The signal works as well there as anywhere, if not better."

Alcoa/NEC, the new joint venture, recently showed its DBS satellite receiving antenna at the Satellite Communications Users Conference.

Backing up this view are the positive results of urban transmission experiments conducted by Canada's Telesat with its Anik B satellite, which is a medium power Ku-band transmitter. In fact, the success of these tests underlies the decisions of both Oak Satellite and USTV (United Satellite TV), a joint venure of General Instrument, Pop Satellite Inc. and Allstar Satellite Network Inc., to move ahead with plans to offer Anik C-2 signals to urban residents well in advance of most high-power DBS launches.

While Oak and USTV stress they will not encroach on cabled markets, they intend to offer several channels of service to both urban and rural households, as well as to SMATV operators, low-power TV outlets, MDS systems and other users. Both consider the highly urbanized Northeast a prime target for their Anik C-2 services.

According to Richard Blume, USTV vice president and partner and president of Pop Satellite, General Instrument has proven to the USTV joint venturers' satisfaction that the medium-power signals will permit good quality reception through 1.2-meter dishes. The exception, he said, would occur during a severe rain storm at 4 p.m., which is an hour when low angles of satellite elevation lengthen the rain paths through which signal attenuation occurs. Such problems would be minimized for DBS operators broadcasting from high-power satellites.

As for the other misconception common to observations about DBS, the home terminals would be able to pick up several satellites at once, as long as the satellites are co-located. With the FCC leaning toward specific orbital slot allotments for DBS satellites, there is a growing likelihood that many operators will be transmitting side by side.

To Wilbur Pritchard, president of Direct Broadcast Satellite and its parent, Satellite Systems Engineering Inc., co-location is the only way to go with DBS. "We want all the DBS applicants to succeed," he said. "DBS represents a whole revolution in television, if it's done right. The satellites should be co-located so that one antenna can pick up all the signals. Also, the receivers should be compatible. The FCC's failure to announce an intent to set receiver standards after 1983 was a mistake."

Pritchard and other DBS applicants want to make it as easy as possible for the customer to gain access to channels 1 through 36 in the DBS system. Along with co-location of satellites and receiver compatibility, this would mean development of TV sets, encryption systems and descrambling equipment that would work with all systems.

Under this scenario of maximum compatibility, a subscriber would only need an electronic key for each set of scrambled services. "There is a magnificent opportunity for some manufacturer to develop equipment that would descramble everybody's signals," Pritchard said.

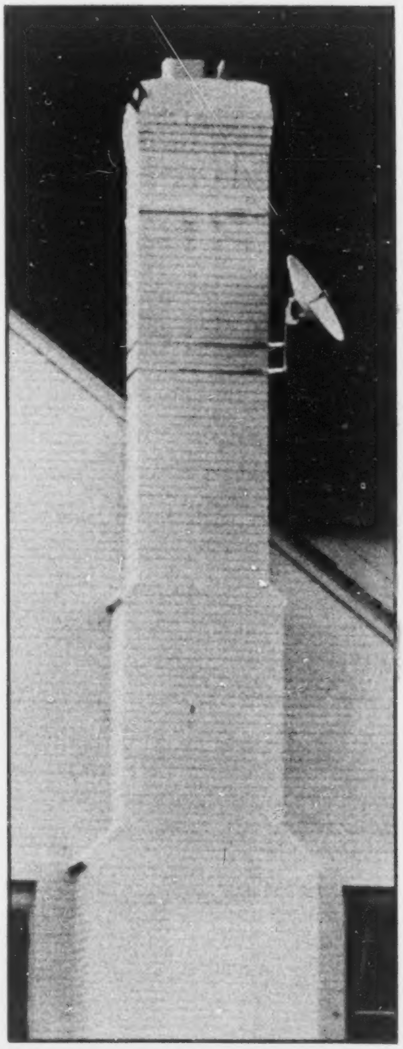
What if a significant number of DBS applicants and manufacturers were to join in cooperation along these lines? Would the economics of the business permit head-to-head competition with other delivery systems, including cable?

Chip Morris, vice president of development for Rifkin Fox Communications and former vice president of development at ATC, estimates the cable industry is spending about $10 per channel per subscriber to get service going in the average 40-channel system. If each DBS operator provides service through its own unique receiver and descrambling system with the rural market as primary target, the per-channel/per-subscriber costs would run well above the cable figure, probably in the $15 range, according to Morris.

Since any one DBS operator is limited to a few channels, the only way to get the per-channel/per-subscriber cost down is to expand the subscriber universe. This would be much easier to do if all DBS subscribers were using compatible equipment, since, as the number of channels available to each dish goes up, the number of potential subscribers to any one service would also increase. If, given this high channel capacity, the DBS market were expanded to include urban as well as rural residents, the per channel/per-sub ratio in DBS easily could be competitive with that in cable.

But even if such cooperation among DBS operators and manufacturers produces economies of scale along these lines, a feat many believe to be impossible in the current competitive environment, there is still the overriding question of program differentiation. In the opinion of Morris and others, if cable is there first with the program lineup, it's cable that will take the lion's share of the business.

Furthermore, it's cable that has the edge in program differentiation, since DBS cannot match cable's interactive programming capabilities. Although systems such as the one proposed by USTV might provide cable-like pay-per-view addressability in conjunction with automatic billing via phone hookups to central computers, truly interactive services will have to await the next generation of satellite technology.



Most manufacturers agree that DBS home receiver/antenna packages will be priced from under $300 up to $700 in three or four years.

Clearly, off on the communications horizon, there is the potential for an over-the-air, direct-from-satellite system of 30 or more channels of every type of one-way service conceivable, including HDTV, priced to permit easy access to advertiser-supported services as well as premium channels. If all the DBS players were to cooperate to the fullest extent possible, such a system could be in operation by 1988.

"We think DBS is going to have the best signal, the best opportunity to draw on data banks, to provide electronically published newspapers and magazines and to cut into those markets where cable hasn't upgraded or where significant numbers of people aren't taking cable," says Paul Abernethy, executive vice president of Alcoa/NEC, the newly formed DBS hardware venture of Alcoa Aluminum and Nippon Electronics.

It is safe enough to say DBS can thrive in the boondocks, or anywhere the forces of cable, STV, MDS and LPTV are loathe to tread. The more critical question is, does it have a chance to seduce the typical 45 percent of potential cable customers in any market who thus far have resisted joining the ranks of subscribers?

The answer is "not likely," if one expects the industry to shape up in the way it is presented in pending proposals. But the outlook could change if a cooperative scheme in fact materializes, if customers can choose from 30 channels as opposed to three or four, if the price is significantly lower than other sources and the programming is attractive enough.

But even then, the headier ambitions of some DBS advocates would be realized only if the cable industry loses the headstart it has in getting to market. With cable operators growing increasingly responsive to the threat of competition from all quarters, DBS marketers will have their work cut out for them if they choose to go after cable's turf. But don't be surprised if they take a shot at it. ■

NOTE

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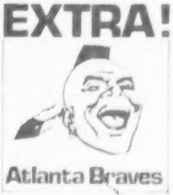
Agenda



Atlanta Braves

Sid Topol

Eastern Show begins

The fall round of cable conventioneering gets underway at the Eastern Show in Atlanta. Nearly 3,000 people are registered to attend, while a total of 5,000 are expected. **Leading the week, pages 15-24.**

Alarming issues

Alarm industry people, gathered at a New York convention last week, charged that cable is bent on "buying" the residential security market away from them. **Leading the week, pages 15-24.**

Chicago bidding

Cablevision Systems, Continental, Group W, a TCI/Cross Country partnership and two local firms submitted bids last week for Chicago's five cable franchises. **Leading the week, pages 15-24.**

TMC talks collapse

Negotiations between Warner Amex and three Hollywood studios to buy into WASEC's The Movie Channel have fallen apart. Speculation centers around the reasons why the discussions reached an unsatisfactory conclusion. **Leading the week, pages 15-24.**

Courtly kickoff

The Georgia Surpreme Court has given its approval to WTBS to kick off its NCAA football coverage. ABC and Cox affiliate WSB-TV plan further legal challenges. **Leading the week, pages 15-24.**

DBS under attack

The National Association of Broadcasters has asked the FCC to forego granting DBS applications until after its appeal of the DBS authorization is settled in court. Other parties are filing appeals of the authorization by the FCC. **Leading the week, pages 15-24.**

Cultural discussions

Officials of CBS Cable confirmed that they and their parent company are talking merger with Bravo, the cultural pay channel of Rainbow Programming Services. But they denied that any deal had been struck as of last week. **Leading the week, pages 15-24.**

Consumer recognition

Cable programming services and cable operators have begun to recognize the need for establishing a "brand identity" to market their wares. **Page 43.**

News game claims

Advertisers, for the most part, are not viewing CNN and SNC as competitors—at least not yet. For the moment, advertisers are buying strictly by the numbers. **Page 46.**

Alaskan challenge

Multivisions and RCA hope to meet the demands presented by the 49th state as they buck a trend and move from MDS to traditional cable plans. **Page 51.**

Final defense

The National Cable Television Association has filed its summary comments following seven weeks of testimony before the Copyright Royalty Tribunal. **Page 77.**

Telenational move

Telenational Communications, a Florida-based MSO that for years specialized in cabling military installations, is branching out in a big way into the civilian market. **Page 168.**

About the cover

R.D. Saul, anchor for SNC, and Chuck Roberts, anchor for CNN, are members of news teams battling for cable audiences.

This week in PLUS

The news is the news in the hot contest between Ted Turner's Cable News Network and ABC/Group W's Satellite News Channel. Will love and loyalty for cable's captain of video prove more compelling than the blandishments of ABC and Westinghouse? New York Bureau Chief Victor Livingston, reporting for *Plus*, surveys the scene of the battle. Percy Sutton is a man who loves broadcasting and the city with equal passion. Via his rapidly expanding communications empire, he has found a way to deliver the best of the urban entertainment scene to all of America. Pages 89-112.

BEST AVAILABLE COPY

Eastern Show Special

EXTRA!

Regional focus

Regional Focus

Alabama

Number of systems	115
Number of communities	218
Basic subscribers	419,443
Homes passed	754,014
Pay units	177,539
Plant miles	10,629
Basic subs/homes passed	55.6%
Pay units/basic subs	42.3%
Homes per plant mile	70.9
Subs per plant mile	39.5

Delaware

Number of systems	9
Number of communities	53
Basic subscribers	112,727
Homes passed	191,658
Pay units	39,846
Plant miles	2,788
Basic subs/homes passed	58.8%
Pay units/basic subs	35.3%
Homes per plant mile	68.7
Subs per plant mile	40.4

Florida

Number of systems	170
Number of communities	502
Basic subscribers	1,412,304
Homes passed	2,850,613
Pay units	655,673
Plant miles	32,569
Basic subs/homes passed	49.5%
Pay units/basic subs	46.4%
Homes per plant mile	87.5
Subs per plant mile	43.4

Georgia

Number of systems	133
Number of communities	289
Basic subscribers	557,948
Homes passed	1,005,288
Pay units	333,047
Plant miles	19,137
Basic subs/homes passed	55.5%
Pay units/basic subs	59.7%
Homes per plant mile	52.5
Subs per plant mile	29.2

Kentucky

Number of systems	189
Number of communities	506
Basic subscribers	450,115
Homes passed	702,198
Pay units	193,853
Plant miles	9155
Basic subs/homes passed	64.1%
Pay units/basic subs	43.1%
Homes per plant mile	76.7
Subs per plant mile	49.2

Louisiana

Number of systems	72
Number of communities	155
Basic subscribers	498,587
Homes passed	852,970
Pay units	275,706
Plant miles	15,823
Basic subs/homes passed	58.5%
Pay units/basic subs	55.3%
Homes per plant mile	53.9
Subs per plant mile	31.5

Maryland

Number of systems	42
Number of communities	136
Basic subscribers	221,455
Homes passed	377,122
Pay units	163,482
Plant miles	5,081
Basic subs/homes passed	58.7%
Pay units/basic subs	73.8%
Homes per plant mile	74.2
Subs per plant mile	43.6

Mississippi

Number of systems	88
Number of communities	137
Basic subscribers	255,648
Homes passed	347,243
Pay units	103,700
Plant miles	5,887
Basic subs/homes passed	73.6%
Pay units/basic subs	40.6%
Homes per plant mile	59.0
Subs per plant mile	43.4

North Carolina

Number of systems	104
Number of communities	284
Basic subscribers	549,761
Homes passed	985,097
Pay units	337,318
Plant miles	19,022
Basic subs/homes passed	55.8%
Pay units/basic subs	61.4%
Homes per plant mile	51.8
Subs per plant mile	28.9

South Carolina

Number of systems	71
Number of communities	186
Basic subscribers	308,525
Homes passed	624,506
Pay units	191,347
Plant miles	8,458
Basic subs/homes passed	49.3%
Pay units/basic subs	62.0%
Homes per plant mile	73.8
Subs per plant mile	36.5

Tennessee

Number of systems	132
Number of communities	253
Basic subscribers	413,710
Homes passed	795,127
Pay units	151,110
Plant miles	12,401
Basic subs/homes passed	52.0%
Pay units/basic subs	36.5%
Homes per plant mile	64.1
Subs per plant mile	33.4

Virginia

Number of systems	109
Number of communities	240
Basic subscribers	542,819
Homes passed	904,512
Pay units	361,810
Plant miles	12,758
Basic subs/homes passed	60.0%
Pay units/basic subs	66.7%
Homes per plant mile	70.9
Subs per plant mile	42.5

West Virginia

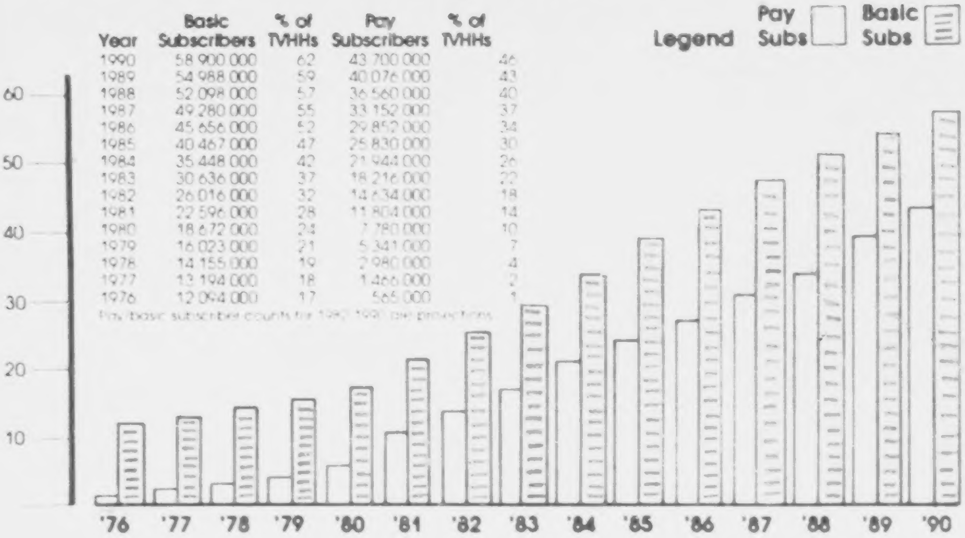
Number of systems	168
Number of communities	363
Basic subscribers	315,617
Homes passed	442,516
Pay units	75,267
Plant miles	6,021
Basic subs/homes passed	71.3%
Pay units/basic subs	23.8%
Homes per plant mile	73.5
Subs per plant mile	52.4

SCTA member total

Number of systems	1,402
Number of communities	3,322
Basic subscribers	6,058,659
Homes passed	10,832,864
Pay units	3,059,692
Plant miles	159,729
Basic subs/homes passed	55.9%
Pay units/basic subs	50.5%
Homes per plant mile	67.8
Subs per plant mile	37.9

This special feature focuses on the member states of the Southern Cable Television Association—where they are in terms of cable system activity and which companies providing services and products are headquartered there. (Source: *CableFile '83.)*

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections.

Cable barometer

Television households (TVHH) ... 81,500,000

Homes passed by cable (HP) 44,252,000

Percent of TVHH passed by cable 54.30%

Basic cable subscribers 24,242,000

Percent of TVHH with basic cable .. 29.75%

Percent of HP with basic cable .. 54.78%

Pay cable subscribers 13,219,000

Percent of TVHH with pay cable ... 16.22%

Percent of HP with pay cable ... 29.87%

Percent of basic subs with pay cable 54.29%

Figures are as of May 31, 1982

Franchising in the top 50 markets

Rank	Market	Status of core city
1	New York	Manhattan-OP; four unwired boroughs-FP
2	Los Angeles	City is divided into 14 areas (A-N), 11-FG, 3-FP
3	Chicago	City is divided into five areas. FP
4	Philadelphia	City is divided into N,S,E,W. S-OP, other three FP
5	San Francisco	OP (system to be upgraded)
6	Boston	FG
7	Detroit	BP
8	Washington, D.C	LNA
9	Cleveland	BP
10	Dallas/Ft. Worth	Two systems-OP
11	Pittsburgh	OP
12	Houston	OP
13	Minneapolis/St. Paul	FG/FP
14	St. Louis	BP
15	Seattle/Tacoma	City is divided into five parts (3 OP/1 FP/1 BP), Tacoma OP
16	Atlanta	OP
17	Miami	FG
18	Tampa/St. Petersburg	FP/OP
19	Baltimore	BP
20	Denver	FG
21	Indianapolis	Two systems OP
22	Sacramento/Stockton	FP/OP
23	San Diego	OP
24	Portland	City is divided into three parts (2-OP/1FG).
25	Kansas City	OP
26	Hartford/New Haven	Two systems-OP
27	Cincinnati	OP
28	Milwaukee	FG
29	Buffalo	OP
30	Nashville	OP
31	Phoenix	OP
32	Columbus	Four systems-OP
33	Providence/New Bedford	LNA/OP
34	Memphis	OP
35	Charlotte	OP
36	New Orleans	FG
37	Greenville/Asheville/Spartansburg	Three systems-OP
38	Grand Rapids/Kalamazoo/Battle Creek	Three systems-OP
39	Oklahoma City	OP
40	Orlando/Daytona Beach	Two systems-OP
41	Raleigh/Durham	Two systems-OP
42	Louisville	Two systems-OP
43	Charleston/Huntington	Two systems-OP
44	Birmingham	OP
45	Salt Lake City	OP
46	Harrisburg/York/Lebanon/Lancaster	Four systems-OP
47	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48	Wilkes Barre/Scranton	Two systems-OP
49	Albany/Schenectady/Troy	Three systems-OP
50	Dayton	OP

Legend

OP—operational.

FG—franchise granted.

FP—franchise pending.

BP—beginning process.

LNA—little or no action.

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs	
1	American Television and Communications	1,949,525	(6/82)
2	Tele-Communications Inc	1,900,000	(3/82)
3	Group W Cable	1,747,792	
4	Cox Cable Communications	1,164,400	
5	Storer Cable Communications	1,041,119	
6	Warner Amex Cable Communications	943,500	(5/82)
7	Times Mirror	699,355	(5/82)
8	Rogers-UA Cablesystems	632,410	
9	Newhouse Broadcasting[1]	631,785	
10	Viacom Cablevision[2]	543,098	
11	Continental Cablevision	505,000	(5/82)
12	United Cable Television Corp	494,624	(5/82)
13	Sammons Communications	484,631	(6/82)
14	TeleCable Corp	320,000	(5/82)
15	Capital Cities Cable	303,235	(5/82)
16	General Electric Cablevision	300,000	
17	Heritage Communications	251,232	(5/82)
18	Comcast Corp	249,834	
19	Cablevision Systems Development	242,000	
20	Liberty Communications	220,266	
21	Wometco Communications	206,994	
22	Tele-Media Corp	206,500	
23	Service Electric Cable TV	189,500	(8/82)
24	TCA Group	182,701	(6/82)
25	Daniels & Associates	178,100	
26	Maclean Hunter	173,037	(5/82)
27	Century Communications	170,000	(8/82)
28	Multimedia Cablevision	166,520	
29	Colony Communications	158,260	
30	Jones Intercable Inc	152,913	(6/82)
31	Western Communications	148,500	
32	Prime Cable	145,000	(9/82)
33	Centel Cable Television	125,000	(5/82)
34	Harris Cable Corp	122,500	
35	Tribune Company Cable	117,000	(8/82)
36	Rollins Cable Vue	115,000	
37	Midwest Video	114,615	(12/81)
38	Communications Service Inc	110,000	(8/81)
39	Harron Communications	102,341	
40	McCaw Communications	101,855	
41	Cable Vision Industries	95,645	
42	Buckeye Cablevision	91,730	
43	Communications Systems Inc	91,361	
44	Sutton Capital Group[3]	90,008	
45	Midcontinent Cable Systems[4]	87,144	
46	Armstrong Utilities[5]	85,966	
47	Adams-Russell	80,117	
48	Cablentertainment	78,582	
49	McDonald Group	78,167	
50	Omni Cable TV	78,099	
51	Buford Television	76,653	
52	Multi-Channel TV Cable Co	75,400	
53	Cable America	72,200	
54	Southmedia	75,101	
55	Televents	73,532	
56	King Videocable Co	72,800	
57	Alda Group	71,446	
58	Palmer Communications	71,103	
59	The Essex Group	65,790	(5/82)
60	Perry Cable TV Corp	64,429	
61	Summit Communications	64,019	(5/82)
62	WEHCO Video	62,554	(8/82)
63	American Cablesystems Corp	60,799	
64	Omega Communications	60,000	(8/82)
65	Coaxial Communications	60,000	
66	US Cable Corp	55,273	
67	Booth Communications	56,112	
68	National Telecommunications Co	55,950	
70	Pencor Services Inc	55,102	
71	Acton Corp	53,000	
72	Ultracom Inc	52,526	(5/82)
73	Consolidated Cable Systems	51,900	
74	Total TV Inc	48,188	
75	Marsh Media	48,000	
76	Clear TV Cable Corp	46,065	
77	The Daily Press	45,000	
78	Sonic Cable TV	43,995	
79	Falcon Communications	43,000	
80	Lenfest Group	42,552	
81	Greater Media	41,218	
82	Susquehanna Broadcasting	40,500	
83	NorCal Cablevision (McClatchy-Viacom)	40,483	
84	Selkirk Communications	37,115	(5/82)
85	Joseph S. Gans	33,300	(3/82)
86	Cable Holdings Inc	30,000	
87	Columbia Communications	28,586	
88	Hellicon Corp	28,200	
89	Lawrence Flinn Jr	27,279	(4/82)
90	The LBJ Co	26,717	
91	American Cable Television Inc (Phoenix, Ariz.)	26,585	
92	Cable Communications of Iowa	26,483	
93	National CableSystems Inc	25,600	
94	United Broadcasting	25,440	
95	Mid America Media	25,354	
96	Martix Enterprises	25,251	
97	Combined Cable Communications	25,072	
98	MultiVision Group	24,694	
99	Mickelson Media	24,385	
100	Potomac Valley TV Co	24,218	

[1] Includes MetroVision, NewChannels, Vision Cable

[2] Includes 40% ownership in NorCal Cable

[3] Includes systems owned and with controlling interest

[4] Includes owned and partially owned systems

[5] Includes Armstrong Comm. Corp., Nat'l. Cable TV Corp., N. Lauderdale Cable

Top 100 systems

Rank	Location	Operator	Basic Subs	
1	San Diego, Calif	Cox Cable	218,902	(6/82)
2	Manhattan, N.Y.	ATC	159,225	(6/82)
3	Oyster Bay (Long Island), N.Y.	Cablevision Systems	156,000	(5/82)
4	West Orange, N.J.	MacLean Hunter	137,574	(5/82)
5	Santa Monica (L.A. area), Calif	Group W Cable	112,608	
6	San Antonio, Texas	Rogers-UA	111,621	(6/82)
7	Wayne, N.J.	Rogers-UA Cable	108,000	
8	Tulsa, Okla	United Cable	100,935	(5/82)
9	Audubon, N.J.	NYT Cable	93,933	
10	Erie County, N.Y.	Prime Cable	91,900	
11	San Jose, Calif	Gill Industries	89,175	(3/82)
12	Tidewater, Va	Cox Cable	86,973	
13	Austin, Texas	ATC	83,500	(6/82)
14	Central Islip, N.Y.	Viacom	82,447	
15	Orlando, Fla	ATC	80,450	(6/82)
16	Seattle, Wash	Group W Cable	77,010	
17	Jefferson Parish/Kenner, La	Cox Cable	75,991	
18	Manhattan, N.Y.	Group W	75,000	
19	Toledo, Ohio	Buckeye Cablevision	73,600	(8/82)
20	Honolulu, Hawaii	ATC	71,000	(6/82)
21	Grand Rapids, Mich	General Electric	70,800	(8/82)
22	Wilmington, Del	Rollins Cable	67,963	
23	New Britain, Conn	United	65,817	
24	Memphis, Tenn.	ATC	65,550	(6/82)
25	Jacksonville, Fla	ATC	65,100	
26	Baton Rouge, La	Daniels	63,500	(8/82)
27	San Francisco, Calif	Viacom	62,137	(5/82)
28	San Diego, Calif	ATC	61,575	(6/82)
29	Columbus, Ohio	Warner Amex	60,000	(8/82)
30	Flint, Mich	Comcast	59,929	
31	Wichita, Kan.	Multimedia Cable	59,710	(6/82)
32	Baltimore County, Md.	Caltec Cable	59,517	
33	Santa Barbara, Calif	Cox Cable	57,680	
34	Buffalo, N.Y.	Minneapolis Star	57,629	
35	Monterey, Calif	Western	57,300	
36	Henrico County/Richmond, Va	Continental	56,000	(5/82)
37	Allentown, Pa	Twin County	55,000	
38	Suburban Rochester, N.Y.	People's Cable	54,841	
39	Melbourne, Fla	ATC	53,925	(6/82)
40	Greater San Juan, Puerto Rico	Harris Cable	53,333	
41	El Paso, Texas	Group W Cable	52,319	
42	Harrisburg, Pa	Sammons	52,066	
43	Snohomish County, Wash	Viacom	51,444	
44	Binghamton, N.Y.	NewChannels	51,126	
45	Louisville, Ky	Times Mirror	50,412	
46	Seattle, Wash	Viacom	49,647	
47	Boston Complex, Mass	Warner Amex	49,200	
48	Columbus, Ohio	Coaxial Comm.	48,498	
49	Pompano Beach, Fla	American Cable TV	48,100	
50	Canton, Ohio	Warner Amex	47,200	
51	Reading, Pa	ATC	47,000	(6/82)
52	Sarasota, Fla	Storer Cable	46,731	
53	Shreveport, La	ATC	46,500	
54	Hartford/Meriden, Conn	Times Mirror	46,430	
55	Dade/Broward Counties, Fla	Storer	46,206	
56	West Haven, Conn	Storer	46,125	
57	Des Moines, Iowa	Heritage	46,018	
58	Peoria, Ill	General Electric	46,000	
59	San Rafael/Marin, Calif	Vaicom	45,854	
60	San Diego County, Calif	Times Mirror	45,763	
61	Charlotte, N.C.	ATC	45,700	(6/82)
62	Akron, Ohio	Warner Amex	44,400	
63	Jackson, Miss	ATC	44,050	(6/82)
64	Eugene, Ore	Group W Cable	43,851	
65	NW Houston, Texas	Warner Amex	43,700	
66	Albany, N.Y.	ATC	43,375	(6/82)
67	Spokane, Wash	Cox Cable	42,300	
68	Scranton, Pa	Verto Cable TV	41,815	(8/82)
69	Birmingham, Ala	ATC	41,400	(6/82)
70	Moline/Quint Cities, Ill	Cox Cable	41,106	
71	Bridgeport, Conn	Alda Group	41,100	
72	Bakersfield/Kern Co., Calif	Warner Amex	40,116	
73	Branford, Conn	Rollins Cable	40,000	
74	Lincoln, Neb	MetroVision	39,868	
75	Charleston, S.C.	Storer	39,753	
76	Brookhaven, N.Y.	Rogers-UA Cable	39,645	(4/82)
77	Lansing, Mich	Continental	39,500	
78	Port Arthur, Texas	Liberty	39,314	
79	Overland Park, Kan	TeleCable Corp	39,200	(5/82)
80	St. Petersburg, Fla	Group W Cable	38,593	
81	West Palm Beach, Fla	Group W Cable	38,199	
82	Cleveland, Ohio	Viacom	37,903	
83	Winston-Salem, N.C.	Summit Commun.	37,819	
84	Fayetteville, N.C.	ATC	37,525	(6/82)
85	Springfield, Ill	Times Mirror	37,303	
86	Deerfield, N.Y.	Harron Commun.	37,285	
87	Dover, N.J.	Sammons	37,200	
88	Honolulu, Hawaii	TV Systems Inc	37,000	(8/82)
89	Beacon, N.Y.	Colony Commun.	36,112	
90	Cleveland, Ohio	Cox Cable	35,756	
91	South Bend, Ind.	Buford	35,552	
92	Pensacola, Fla	Cox Cable	35,077	
93	Palm Desert, Calif	Palmer Commun.	35,000	(8/82)
94	Cincinnati Suburbs, Ohio	Warner Amex	34,200	
95	Madison, Wis.	Complete Channel TV	34,000	(8/82)
96	Evansville, Ind.	General Electric	34,000	
97	Englewood, Colo.	United Cable	33,893	
98	Concord, Calif	Western	33,636	
99	Stuart, Fla	Perry	32,966	
100	Naples/Marco, Fla	Palmer Commun.	31,383	(5/82)

Note: Subscriber counts for MSOs and systems are as of 7/82 unless noted otherwise.

- Disney Productions, Group W dissolve partnership
- CableBus purchased by Pacific Power & Light
- CBS, RCA executive changes signal new era
- Showtime reveals new-look advertising campaign

CableVision

The news and features weekly of the cable television industry September 20, 1982 $3.00

9/16/82
C8920-2
CVFV20014CON452 053082/1
SUSAN GARNER ACQ EDT
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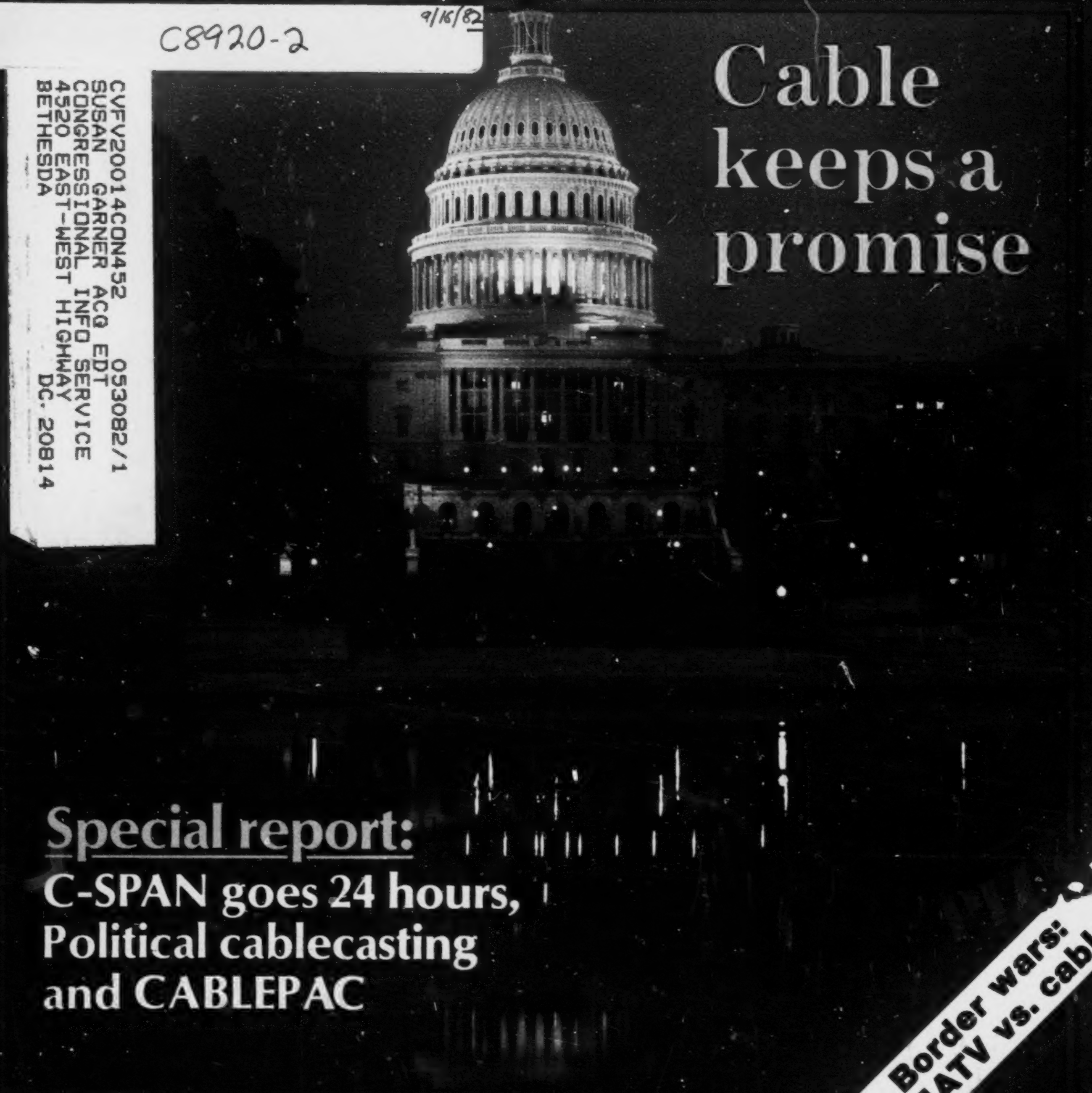

Cable keeps a promise

Special report:

C-SPAN goes 24 hours,
Political cablecasting
and CABLEPAC

Border wars:
ATV vs. cable

CableVision

September 20, 1982. Volume 8, Number 3

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Cliff Schrock

Secure position

CableBus, purchased by Pacific Power & Light, sees new resources and products strengthening its position in the security and interactive markets. **Leading the week, pages 13-20.**

Changing of the guards

Executive changes at the top of CBS and RCA signal a new generation of leadership for the two communications giants. **Leading the week, pages 13-20.**

Disney Channel shake-up

Walt Disney Productions and Group W have dissolved their partnership in The Disney Channel. However, the possibility has been left open for Group W to assume responsibility for sales and distribution of the pay service. **Leading the week, pages 13-20.**

Speaking up

Sports rights, pay-per-view and basic cable network survival were topics covered by USA Network President Kay Koplovitz in a recent New York speech. **Leading the week, pages 13-20.**

Access entrepreneur

Zachary Herman, one of a new breed of programmers, is taking advantage of NYC's Channel J, a sponsor-supported public access station that takes care of what may be free public access' main problem—funding. **Page 25.**

Healthy attitude

Loreen Arbus, vice president for programming at Cable Health Network, discusses programs in the works, including a consumer-advocate show, programs on parenting, senior citizens, prenatal care, nutrition, science and more. **Page 45.**

Eyes on Showtime

"All Eyes Turn For Showtime" is the theme of Showtime's new ad campaign, and with its completely new approach, it may turn a lot of heads. Executives at Showtime hope the campaign will win them a distinct "brand identity." **Page 40.**

Special report:

Cable keeps a promise. Highlighting C-SPAN's move to 24 hours, the industry's increasing commitment to local origination and political cablecasting, and its own political action committee, CABLEPAC, *CableVision*'s Washington staff reports on cable television's ability to participate in the democratic process—in a way it seems that no other medium can. **Page 47.**

Roller coaster cable

The stock market dipped slightly last week, losing some of its upward momentum. While some cable stocks continued to rise, Warner was close to its annual low at press time, a drop attributed primarily to video games speculation. **Page 103.**

TEC—up and away

The Entertainment Channel has only been in operation for just over three months, but according to an independent *CableVision* study, it is being well received by operators and subscribers alike. **Page 103.**

Sacramento findings

The innovative bid from Cablevision Systems may still garner this 300,000-home city's cable franchise in light of CTIC's recent report, but the final award isn't expected until Sept. 27. **Page 112.**

Case for joining

The NAB's appeal of the Federal Communications Commission's authorization of DBS is attracting more parties, including some current DBS applicants. **Page 116.**

About the cover

This week's cover photograph of the U.S. Capitol was taken by Bruce Hoertal.

This week in PLUS

If you're a programmer, the place to be on cable TV is Manhattan Cable TV (ATC), the system with a direct line to media buyers' eyes. But finding a spot on this 29-channel system takes patience, as Music Television found this year. ATC's Jack Gault explains how he gets the most out of what he's got. If coping with the channel crunch is Gault's headache, think of those operators with a partially built system. While construction crews toil, SMATV operators are busy romancing apartment and condo owners—foiling projections and draining future cable profits. *CableVision Plus* talked to several MSOs who decided to get out of their own way and get into the business of delivering cable—less the cable—in the meantime. **Pages 63-68.**

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
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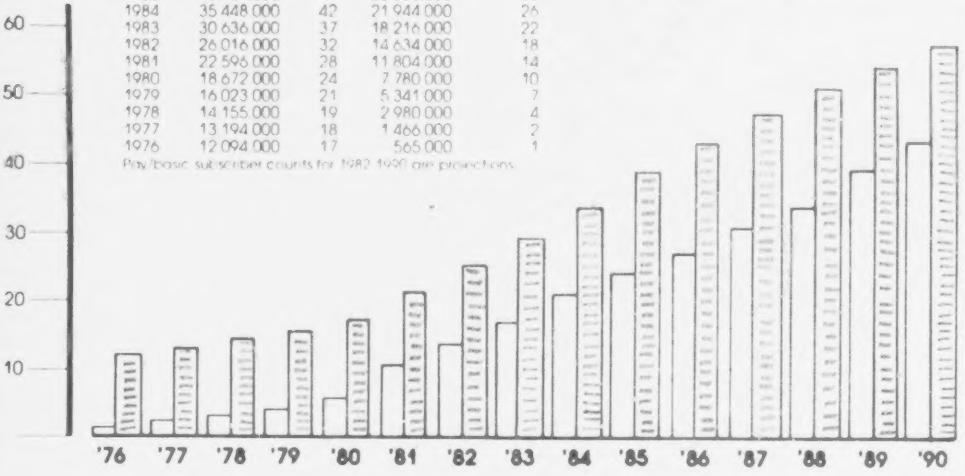
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

Franchising calendar

This chart examines the franchise status of communities during the second quarter of 1982. "Pending" refers to communities that are in the franchising process but have yet to make an award.

Alabama
Tarrant City—renewed franchise award to Alabama Cable TV (which was recently purchased by ATC) 8/82

California
Alameda—award to United Cable Television Corp. 4/82 (27,802 homes)
Bellflower—award not expected until December
Davis—looking into a cooperative
East San Fernando Valley—Valley Cable rated first by CTIC (166,000 homes)
East Yolo—pending
El Monte—Teleprompter (Group W) selected to negotiate franchise
Grand Terrace—pending
Hacienda Heights, West Whittier, Bassett, Valinda, Whitter Narrows—award to United Cable Television Corp
Hawaiian Gardens—franchise refused to Cable West, schedule for new bid proposals indefinite
Hawthorne-awarded to Group W
Harbor City, Wilmington, San Pedro—award to Colony/Harbor Cablevision (27,000 homes)
Lakewood—award expected 9/28/82
Lomita—pending
Los Alamitos—awarded to California Cable Systems 5/10/82
Los Altos—pending
Los Angeles, South Central Region—pending
Palo Alto—city council still discussing possibility of a municipally owned system
Pico Rivera—voters elected in referendum not to grant a franchise to California Cablevision Inc.
Sacramento—award expected 9/82 between four applicants (300,000 homes)
San Buenaventura—beginning to study feasibility
San Fernando—city council selected Valley Cable to negotiate franchise 6/21/82
Signal Hill—franchise transferred to Long Beach Cablevision Co. (Times Mirror/Knight Ridder)
South Whittier—pending
Sunnyvale—city council approved refranchising ordinance; decision due 9/14/82 whether or not to re-open bidding
Tulare—award to Scripps-Howard (80%) and Mickelson Media (20%)

Colorado
Denver—award to Mile Hi Cablevision
Greenwood Village—Mountain States Video selected in public referendum 7/13/82 (1,600 homes)
Longmont—award to Longmont Communications Corp. (Scripps-Howard Broadcasting) 5/82
Northglenn—proposals due 9/16
Platteville—pending
Wheat Ridge—voters approved franchise award to ATC 6/23

Connecticut
Windham, Lebanon, Scotland, et. al. (cable area 13)—applications being submitted to PUC
Vernon Consortium (cable area 12)—award awaits decision by PUC

District of Columbia
District council approved cable bills. RFP to be released spring 1983

Florida
Pinellas County—award to Vision Cable of Pinellas Inc. (10,000 homes)
Plantation—award to Planned Cable Systems Co. for western area of city
Tampa—four applicants (Cox, Storer, Tribune Cable and Knight-Ridder/TCI) have submitted bids, recommendations expected by 9/82
Walden Lake—pending

Illinois
Addison, West Chicago, Winfield, Warrenville, Aurora (unic. DuPage County Areas)—county negotiating with Centel
Bensenville—final negotiations with Continental in progress
Chicago—Continental Cablevision, Cablevision Systems, Group W Cable, TCI/Cross Country, Satellite Cable Communications, Communications and Cable submitted bids for the five franchise areas
Countryside—pending
Downer's Grove, Darien, Woodridge, Lisle (unic. DuPage County areas)—county negotiating with Cablevision of Chicago
Elmwood Park—pending, no award date set
Glen Ellyn (unic. DuPage County areas)—county negotiating with Group W Cable
Glenview—preliminary agreement reached with Cablenet 8/2/82; other five members of North Shore Cable Television Group: Northbrook, Northfield, Glencoe, Kenilworth, Winnetka still have franchises pending
Harwood Heights—award expected 9/82
LaGrange, LaGrange Park, Indian Head Park, Riverside—pending
Lincolnwood—pending
Lombard, Oakbrook Terrace, Elmhurst (unic. DuPage County areas)—county negotiating with Continental
Morton Grove—award to Continental Cablevision
Naperville—pending
Richton Park—award to Centel; 3,500 homes
Riverdale—village board awarded Continental a 15-year franchise
South Holland—RFP expected soon
Wentzville—surveying residents' interest in cable
Westmont—pending
Wood Dale, Itasca, Bloomingdale, Rosell, Carol Stream (unic. DuPage County areas)—consortium gave final approval of franchise agreement with MetroVision 8/2/82 (27,000 homes); ratification by individual boards expected 9/82

Indiana
Elmora—award to Quality CATV
Gaston—award to Quality CATV
Grant County—award to Quality CATV
Hebron—drafted new ordinance; five applicants
Indianapolis—recommendations to city/county council expected by 10/82 on whether additional franchises should be awarded to compete with two existing systems

Cable stats

Lyons—award to Quality CATV
Munster—U.S. Cable selected to negotiate franchise 6/28 (6,948 homes)
Roachdale—award to Quality CATV
Thorntown—pending
Zionsville—award to Omega of Zionsville 4/5/82 (4,000 homes)

Maine
Caribou—pending

Maryland
Baltimore—RFP issued 7/21/82, proposals due 11/17/82, tentative award date 2/9/82
Montgomery County—award expected 9/82, three top applicants are Montgomery Cable Communications-Times Mirror, Tribune-United and Viacom

Massachusetts
Abington—pending
Acton—advisory committee report released soon
Ayer—award expected fall 1982
Bedford—award to Adams-Russell (3,813 homes)
Bourne—three applications being reviewed by Citizens Advisory Committee
Braintree—award expected about 9/82, six applications
Bridgewater—pending
Cohasset—proposals due 9/14/82
Danvers—award to Rollins Cablevision of Massachusetts
Dedham—pending, 8 companies applied
Hingham—pending
Holbrook—pending
Holliston—advisory report due in September, four companies applied
Hopedale—pending
Hull—award expected 12/8/82
Lancaster—pending
Martha's Vineyard—award to Dukes County Cable TV
Medway—pending (2,500 homes)
Merrimac—pending
Nahant—proposals due 9/23/82
Needham—awarded to Continental 7/82 (8,000 homes)
Northborough—pending
Norwell—pending
Rockland—pending
Scituate—award expected 9/82
Shrewsbury—award to Shrewsbury Electric Light Plant (9,000 homes)
Stoughton—pending
Walpole—pending
Waltham—pending
Wellesley—pending
Westborough—pending
West Newbury—pending
Whitman—pending (3,500 homes)

Michigan
Detroit—RFP issued, proposals due 12/10/82; 471,000 homes
Marquette—pending
Romeo—pending

Minnesota
Afton, Cottage Grove, St. Paul Park, et. al. (South Washington County Cable Commission)—working on RFP (6,000 homes)
Arden Hills, Little Canada, Roseville, et. al. (North Suburban Cable Commission)—award to Group W 4/82 (44,000 homes)
Arlington, Gaylord, Winthrop, Gibbon, Green Isle—pending
Burnsville—tentatively working with Eagan on RFP
Chanhassen—assessment not yet complete (2,285 homes)
Deephaven, Excelsior, Greenwood, Sherwood, Tonka Bay, Victoria, Woodland—assessment not yet complete (5,467 homes)
Forest Lake, New Scandia, Columbia—proposals due 9/10/82
Hastings—city council gave preliminary approval to Hastings Cable TV (Telephone and Data Systems Inc.)
Kasson—award to Group W
Marshan—preliminary approval to Hastings Cable TV
Minneapolis—Rogers/Storer arrangement approved and in final negotiations
Northfield City and Township—pending
Olivia—award to North America Communications Corp
Owatonna—pending
Princeton, Rush City, Mora, Milaca, Cambridge, Braham, North Branch, Branch, Pine City, Isanti, Townships: Pine City, Chengwatana, Milaca, Bradford, Spencer Brook, Pokegama, Isanti, Arthur (East Central Cable Commission)—pending
Prior Lake—pending
Ramsey/Washington County—Group W Cable was sole bidder 7/82
Roseville—award to Teleprompter Corp. 4/2/82 (42,000 homes)
St. Paul—award is possible 4/83
Savage—assessment not yet complete (1,272 homes)
Shakopee—city council's decision expected soon
Stillwater, Bayport, Oak Park Heights (Central St. Croix Valley area)—RFP not yet completed
Wayzata—pending
West St. Paul (North Dakota County Cable Service Territory)—pending (31,000 homes)
Windom—beginning to study feasibility (1,600 homes)

Missouri
Arnold—US Cable franchise agreement pending, city considering non-exclusive franchises
Claycomb—pending
Glenaire—pending
Herculaneum—award to U.S. Cable
Jefferson City—award to TCI 4/20/82 (13,000 homes)
Pevely—award to U.S. Cable
Pleasant Valley—pending
Riverside—pending
St. Louis—Melbar Corp. (owned 80% by TCI) recommended to board of alderman for final approval 8/12/82
Vandalia—pending

New Hampshire
Hampstead—pending
Kingston—pending
Londonderry—pending
Plaistow—pending

New Jersey
Jersey City—pending
Paterson—pending
Princeton—administrative law judge approved Dow Jones award in borough in Princeton but not for entire Princeton Township
Upper Deerfield, Cumberland City—pending

New York
Harrison—award to Adams-Russell
New York City—borough negotiations still in progress
Union Springs, Aurora, Aurelius, Cayuga County, Ledyard, Springport—award to Cablevision Industries
Westfield—award to U.S. Cable 4/82 (4,500 homes)

North Carolina
Bethel, Robersonville—pending
Davie County—pending

Ohio
Bentleyville—award to Matrix Enterprises Inc
Brecksville—city council awarded franchise to Complexicable (126 homes)
Brooklyn—pending
Cleveland—pending
Garfield Heights—pending
Middleburg Heights—pending
Middlebury—mayor vetoed legislation which had rescinded city's agreement with Space Cable
Moreland Hills—award to Viacom
Newtown—pending
Whitehouse—award to Community Cable TV Inc

Oregon
East Multnomah County—award to Viacom 4/15/82
McMinnville—pending
Milwaukie—pending

Pennsylvania
Philadelphia—RFP expected soon for four franchise areas: Area I-South Philadelphia, Center City; Area II-area west of Schuylkill River; Area III-Northwest; Area IV-Northeast

Rhode Island
Newport, Middletown, Portsmouth, Tiverton, Little Compton (Area 7)—pending

South Carolina
Anderson County—pending

Texas
Azle—pending
Plano—Storer award overturned by public referendum 4/3/82
Richardson—proposals due 10/18/82

Virginia
Dinwiddie County—pending
Fairfax County—award to Media General Inc. 7/25/82 (200,000 homes)
Goochland County—pending
York County—award to Continental Cablevision

Washington
Granger, Toppenish, Wapato, Zillah—pending
Seattle—Central district award expected 9/30, RFP for downtown business district not expected for another year

Wisconsin
Hales Corner—city board approved ownership transfer (50%) from ATC to Viacom 8/10/82
Kenosha—pending
Milwaukee—final franchise agreement with Warner Amex under negotiation

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Cable penetration in top 25 TV markets

Rank	Market	Cable Subscribers*
1.	New York City	1,349,907
2.	Los Angeles	624,728
3.	Chicago	175,751
4.	Philadelphia	693,157
5.	San Francisco	663,484
6.	Boston	288,091
7.	Detroit	175,275
8.	Washington, D.C.	79,425
9.	Cleveland	265,391
10.	Dallas/Fort Worth	116,496
11.	Pittsburgh	552,676
12.	Houston	192,176
13.	Minneapolis/St. Paul	44,945
14.	St. Louis	94,034
15.	Seattle/Tacoma	236,616
16.	Atlanta	208,150
17.	Miami	288,327
18.	Tampa/St. Petersburg	169,035
19.	Baltimore	69,682
20.	Denver	53,637
21.	Indianapolis	165,050
22.	Sacramento/Stockton	402,349
23.	San Diego	361,940
24.	Portland, OR	85,239
25.	Kansas City, MO	112,912

*Cable penetration in 50 mile radius of market city, subscriber totals from "CableFile/82."

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cover 1, p.4, 71-72.

- CBS Cable disbanded; Gene Jankowski comments
- The Silent Network aimed at the hearing impaired
- NCTA board makes major policy adjustments
- FCC votes to consolidate Broadcast, Cable Bureaus

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The news and features weekly of the cable television industry September 27, 1982 $3.00

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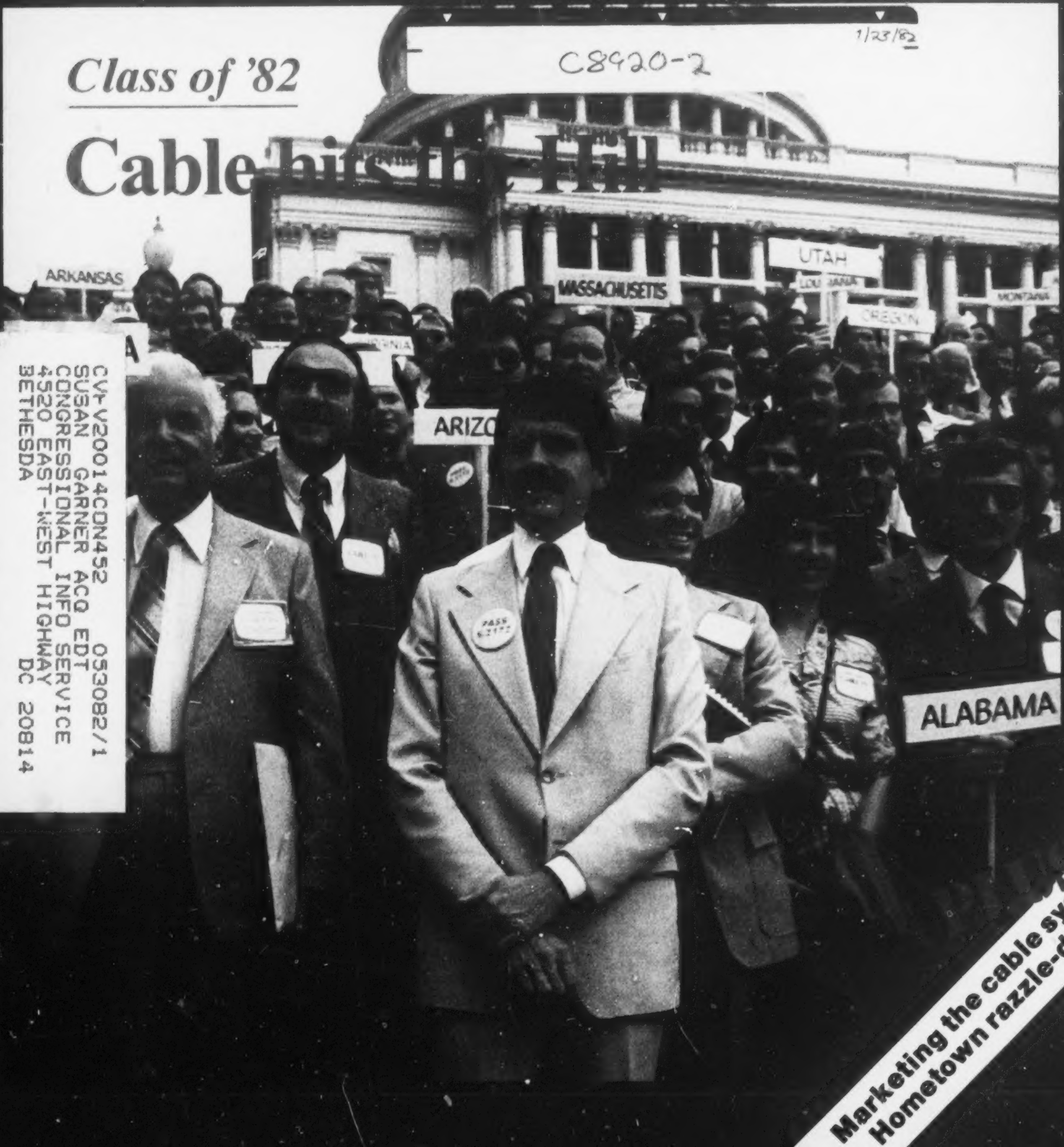
Class of '82

Cable hits the Hill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Larry Harris to be new bureau chief.

FCC overhaul

The Federal Communications Commission has voted to consolidate its Broadcast and Cable Bureaus into a new "Mass Media" branch that will serve traditional services and the new technologies. **Leading the week, pages 13-16.**

CBS Cable to disband

CBS Cable, the nearly 1-year-old ad-supported culture service, has announced plans to disband in 90 days. Lack of advertising support, high production cost and the failure of several joint venture deals were blamed as contributing factors. Hopes of a revival continue to circulate. **Leading the week, pages 13-16.**

Cable's big push

Some 400 representatives of the cable industry stormed Capitol Hill to lobby for S. 2172, the broad, cable deregulation bill. The legislation still faces several major obstacles before passage. **Leading the week, pages 13-16.**

NCTA decisions

The NCTA board of directors made some major policy decisions, including one to allow SMATV operators patron membership. A possible court challenge of must-carry rules and legislative policy directives were issued also. **Leading the week, pages 13-16.**

Signing on

The Silent Network, a new ad-supported venture designed to meet the needs of the nation's 22 million hearing impaired, outlined its plans for sign language programming. **Leading the week, pages 13-16.**

Video commitments

ABC Video Enterprises has signed two major theatrical and arts programming commitments to supply new creative products for Hearst/ABC's ARTS and its other joint ventures. **Page 20.**

Filling the gaps

Premium pay services don't run movies and original programming back-to-back; they have to find ways to fill the time in-between. That's where "continuity" or "interstitial" programming comes in. **Page 21.**

Tiering dangers

The tiering of advertising-supported cable services may endanger prospects for success and ability to survive, according to a variety of cable experts. **Page 51.**

Business evaluation

This year's Eastern Show drew mixed reviews from both hardware suppliers and programmers. Those with broad product lines and good booth locations gave the event passing grades. Exhibitors with limited offerings and booths in less trafficked areas came away less enthused. **Page 52.**

Goldwater's engineer

While Sen. Barry Goldwater has been the architect of the S. 2172 cable bill, Chris Coursen, assistant communications counsel to the Senate Commerce Committee, has been the bill's engineer. **Page 56.**

This week in PLUS

"Selling the sizzle as well as the steak" is the new theme in marketing plans at the local level. It's an effort designed to pay off in terms of keeping buyers turned on about their cable service, as well as hooking the confirmed non-subscribers—which brings up the subject of "how do you keep them happy once you've got them?" Disgruntled subs can be turned into satisfied ones, some MSO marketing leaders insist. It goes back to the old-fashioned tradition of customer service—something Warner Amex Cable, with a strategy fired by a veteran of Avon Products, is making its operating philosophy. And for a look at the cable industry from the perspective of a Madison Avenue veteran who is now a consultant to cable, *CableVision* Associate Editor David Stoller turned to Richard Gilbert. A man with 25 years of experience in advertising, he has some pointed things to say about where cable went wrong and where it went right when it set out courting advertiser dollars. **Pages 27-50.**

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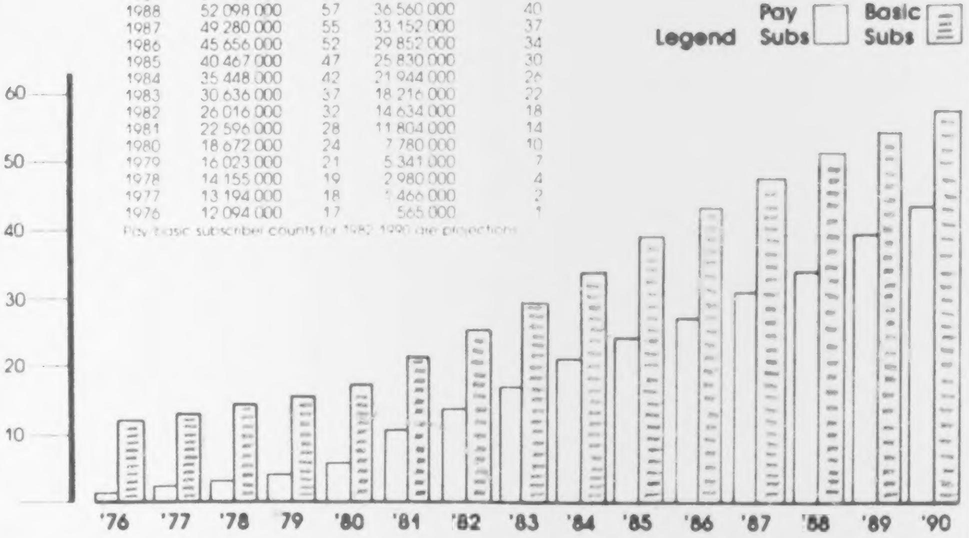
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) ...	81,500,000
Homes passed by cable (HP)	44,252,000
Percent of TVHH passed by cable	54.30%
Basic cable subscribers	24,242,000
Percent of TVHH with basic cable ..	29.75%
Percent of HP with basic cable ..	54.78%
Pay cable subscribers	13,219,000
Percent of TVHH with pay cable ...	16.22%
Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

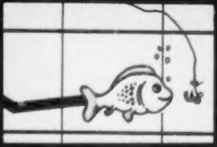
Top 100 MSO overview

Rank	Multiple system operator	Basic subs	Pay units	Homes Passed	Systems
1.	American Television and Communications	1,949,525	1,606,425	3,763,625	124
2.	Tele-Communications Inc.	1,900,000	920,942	2,917,029	174
3.	Group W Cable	1,747,792	1,477,187	3,285,973	134
4.	Cox Cable Communications	1,164,400	1,053,338	1,860,044	59
5.	Storer Cable Communications	1,041,119	1,169,451	2,107,427	117
6.	Warner Amex Cable	974,500	733,700	1,995,000	121
7.	Times Mirror	699,355	447,767	1,238,682	67
8.	Rogers-UA Cablesystems	632,410	649,801	1,235,397	31
9.	Newhouse Broadcasting	631,785	490,000	1,010,000	60
10	Viacom Cablevision	543,098	383,146	1,088,030	30
11.	Continental Cablevision	505,000	506,000	1,000,000	62
12	United Cable Television Corp	494,624	417,305	899,680	37
13.	Sammons Communications	484,631	272,115	771,397	65
14.	TeleCable Corp.	320,000	227,300	534,540	20
15.	Capital Cities Corp.	303,235	192,685	451,331	55
16	General Electric Cablevision	300,000	155,000	500,000	12
17	Heritage Communications	251,232	166,593	506,602	106
18.	Comcast Corp.	247,834	229,724	490,119	17
19	Cablevision Systems Development	242,000	581,000	531,000	5
20.	Liberty Communications	220,266	119,461	450,000	30
21.	Wometco Communications	206,994	201,154	382,574	44
22	Tele-Media Corp.	206,500	90,200	275,950	73
23.	Service Electric Cable TV	189,500	—	—	15
24.	TCA Group	182,701	52,919	275,000	40
25.	Daniels & Associates	178,100	88,000	450,000	22
26.	Maclean Hunter	173,037	233,084	372,443	16
27.	Century Communications	170,000	110,000	250,000	20
28.	Multimedia Cablevision	166,520	185,578	336,850	33
29.	Colony Communications	158,260	135,955	268,963	11

Cable stats

Rank	Multiple system operator	Basic subs	Pay units	Homes Passed	Systems
30.	Jones Intercable Inc.	152,913	88,129	245,165	62
31.	Western Communications	148,500	50,250	192,500	5
32	Prime Cable	145,000	113,300	262,779	11
33.	Centel Cable Television	125,000	60,200	202,000	41
34.	Harris Cable Corp.	122,500	77,500	235,000	3
35.	Tribune Company Cable	117,000	93,000	253,000	12
36.	Rollins Cable Vue	115,000	64,500	190,000	4
37.	Midwest Video	114,615	—	—	7
38.	Communications Service Inc.	110,000	—	—	32
39.	Harron Communications	102,341	50,785	181,820	7
40.	McCaw Communications	101,855	38,312	156,455	15
41.	Cable Vision Industries	95,645	72,791	135,000	22
42.	Buckeye Cablevision	91,730	35,343	168,200	3
43.	Communications Systems Inc.	91,361	77,899	133,469	42
44.	Sutton Capital Group	90,008	98,144	185,978	15
45.	Midcontinent Cable Systems	87,144	37,792	172,409	33
46.	Armstrong Utilities	85,966	53,938	121,151	12
47.	Adams-Russell	80,117	44,191	188,300	11
48.	Cablentertainment	78,582	24,093	113,000	27
49.	McDonald Group	78,167	49,195	133,085	19
50.	Omni Cable TV	77,791	60,345	150,000	49
51.	Buford Television	76,653	33,996	120,233	6
52.	Multi-Channel TV Cable Co.	75,400	—	93,000	9
53.	Cable America	72,200	—	—	4
54.	Southmedia	75,101	45,921	153,618	4
55.	Televents	73,532	42,504	11,792	14
56.	King Videocable Co	72,800	32,000	110,000	17
57.	Alda Group	71,446	63,750	166,101	3
58.	Palmer Communications	71,103	16,672	84,517	4
59.	The Essex Group	65,790	27,054	98,917	49
60.	Perry Cable TV Corp	64,429	31,610	101,088	3
61.	Summit Communications	64,019	62,315	116,020	4
62	WEHCO Video	62,559	33,981	112,956	14
63.	American Cablesystems Corp	60,799	29,879	101,858	15
64.	Omega Communications	60,000	—	—	28
65.	Coaxial Communications	60,000	—	114,330	8
66.	Adelphia Communications	58,099	29,159	99,200	12
67.	Booth Communications	56,112	24,000	92,804	11
68.	National Telecommunications Co	55,950	16,500	—	12
69.	US Cable Corp.	55,273	65,371	140,000	21
70.	Pancor Services Inc.	55,102	18,013	61,075	18
71.	Acton Corp.	53,000	41,000	188,232	35
72.	Ultracom Inc.	52,526	30,464	151,283	15
73.	Consolidated Cable Systems	51,900	46,344	105,648	3
74.	Total TV Inc.	48,188	39,061	99,457	14
75.	Marsh Media	48,000	34,000	—	9
76.	Clear TV Cable Corp	46,065	18,752	65,846	2
77.	The Daily Press	45,000	29,000	83,000	3
78.	Sonic Cable TV	43,995	18,649	50,873	17
79.	Falcon Communications	43,000	—	—	7
80.	Lenfest Group	42,552	23,214	84,000	4
81.	Greater Media	41,218	22,160	60,375	11
82.	Susquehanna Broadcasting	40,500	14,700	62,710	2
83.	NorCal Cablevision (McClatchy-Viacom)	40,483	16,343	56,269	2
84.	Selkirk Communications	37,115	42,465	118,595	2
85.	Joseph S. Gans	33,300	6,500	—	15
86.	Cable Holdings Inc.	30,000	22,000	60,000	3
87.	Columbia Communications	28,586	47,247	66,266	4
88.	Hellicon Corp.	28,200	13,400	38,000	20
89.	United Video Management	27,279	23,400	71,476	15
90.	The LBJ Co.	26,717	26,717	32,977	11
91.	American Cable Television Inc. (Phoenix)	26,585	37,017	92,660	11
92.	Cable Communications of Iowa	26,483	11,264	—	13
93.	National Cablesystems Inc.	25,600	12,500	36,400	2
94.	United Broadcasting	25,440	8,314	—	11
95.	Mid America Media	25,364	8,800	33,400	2
96.	Matrix Enterprises	25,251	26,002	40,704	11
97.	Combined Cable Communications	25,072	20,281	49,920	25
98.	Multivision Group	24,694	6,649	—	11
99.	Mickelson Media	24,385	12,219	36,762	14
100.	Potomac Valley TV Co.	24,218	7,299	28,000	3

Note: All counts are as of 7/82



- Enterprising operators grapple with recession
- Cable copyright bill impasse finally breaks
- NECTA convention takes hard look at hot issues
- MSOs looking at large legal bill in New York

CableVision

The news and features weekly of the cable television industry October 4, 1982 $3.00

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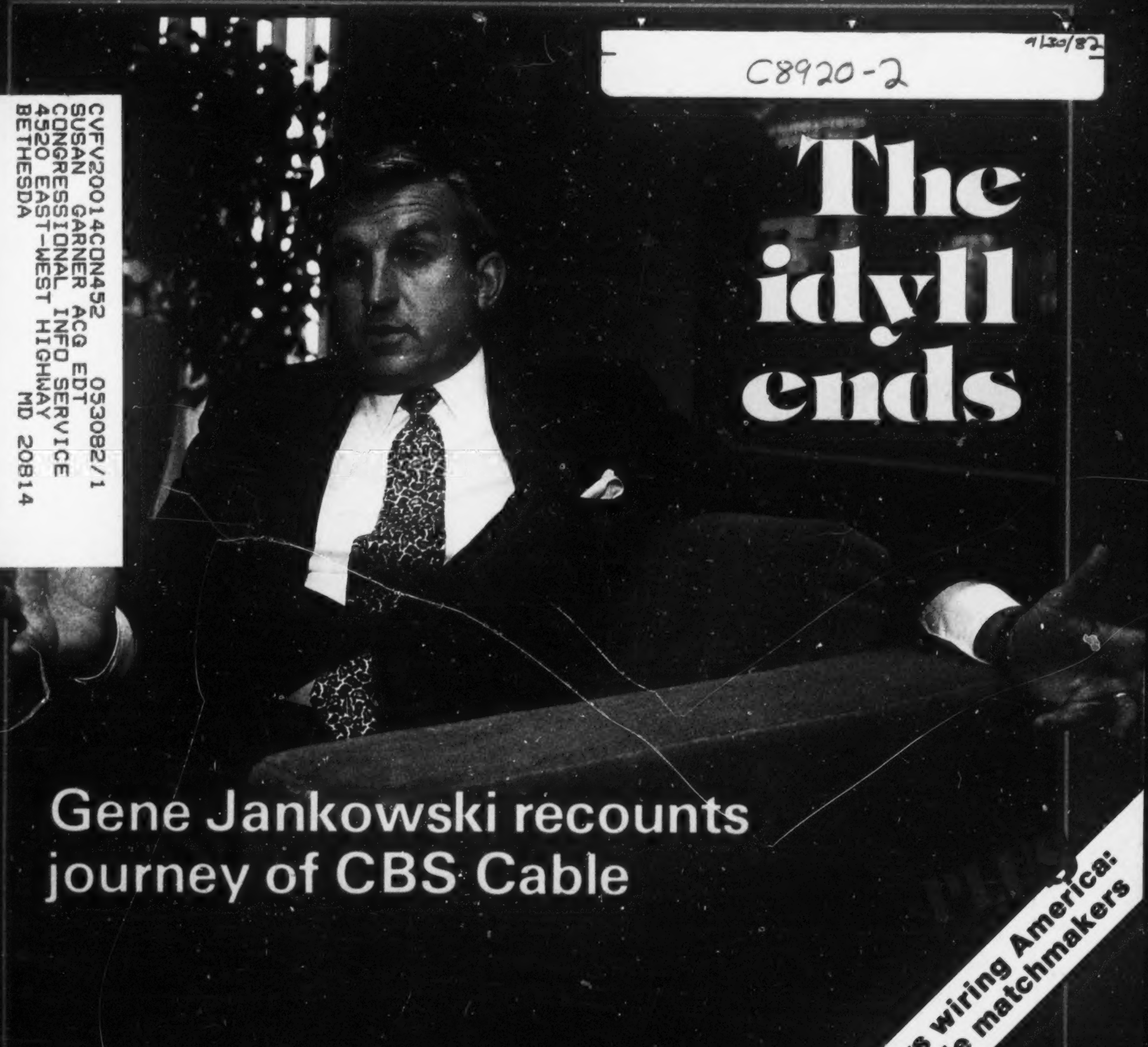

The idyll ends

Gene Jankowski recounts journey of CBS Cable

Partners wiring America: The cable matchmakers

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CableVision

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NECTA gathering

The New England Cable Television Association held its annual convention last week on Cape Cod. All previous attendance marks were broken. **Leading the week, pages 13-16.**

Listening posture

Warner Amex, one of the bedrocks of the cable industry, drew attention as American Express signaled a willingness to "listen" to other firms interested in joining the partnership. **Leading the week, pages 13-16.**

Gridiron guessing

If the National Football League players' strike doesn't come to a quick settlement, it could catapult pro football to Ted Turner's broadcast and cable empire. That major "if" is joined by a plethora of other problems surrounding the deal. **Leading the week, pages 13-16.**

Copyright's rebirth

Cable and broadcast lobbyists have reached an agreement that broke the impasse over the cable copyright bill (H.R. 5949) and the measure began to move through the House. **Leading the week, pages 13-16.**

'Pass-along' setback

Chuck Dolan's Cablevision Systems receives a setback from the New York State Cable Commission on "pass-along" franchise fees. **Leading the week, pages 13-16.**

Signing on

The Silent Network, a satellite-delivered, advertiser-supported cable service, is being aimed at the nation's 22 million hearing impaired people. **Page 21.**

Learning approach

The Appalachian Community Service Network is applying its focus as The Learning Channel, helping viewers to advance in their jobs or change careers. **Page 21.**

The right bait

CableVision takes a long, hard look at how cable operators and programmers are keeping the recessionary wolf away from the door. Incentives, innovative planning and a lot of hard work, coupled with some luck, seem to be the magic formula. **Page 36.**

'. . . being watched'

Faced with the continuing popularity of ON TV and SelecTV, CommuniCom Cable has committed what it believes to be an unprecedented $500,000 for its newest ad campaign. **Page 71.**

Labor management

Management causes labor problems, not unions, maintained three lawyers who specialize in representing management and labor disputes. That was one of many topics addressed at the NECTA annual convention. **Page 73.**

Franchising bill

The six MSOs hoping to operate cable systems in New York's outer boroughs may have to pay out $1.5 million for the city's legal fees. **Page 84.**

Voice of the cities

The National League of Cities and other opponents of the Cable Telecommunications Act of 1982 (S. 2172) have launched what appears to be a winning battle. Cynthia Pols, NLC legislative counsel, is spearheading that drive and told *CableVision* the reasons behind the fight. **Page 86.**

About the cover

Robert Tonsing, Titsch design/graphic director, photographed this week's cover of Gene Jankowski.

This Week in PLUS

CBS Cable had class. It had courage. It had critical acclaim. But with five million subscribers and the cabling of cities a long way off, CBS Cable lacked one thing—clout. It was a noble experiment that was perhaps a bit too far ahead of the times to survive, says Gene Jankowski, president of the CBS Broadcast Group in an interview with *CableVision*'s Jeri Baker. Jankowski scores the rumor mill and the economy in a thoughtful commentary on the demise of a dream. Selling partnerships may be one of the best schemes ever devised for finding money to build cable systems—but it is not an easy way to make a living, say the industry's prominent practitioners. Daniels, Jones, Comcast and Heritage are featured in Gary Rothbart's report on the cable matchmakers. **Pages 47-70.**

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
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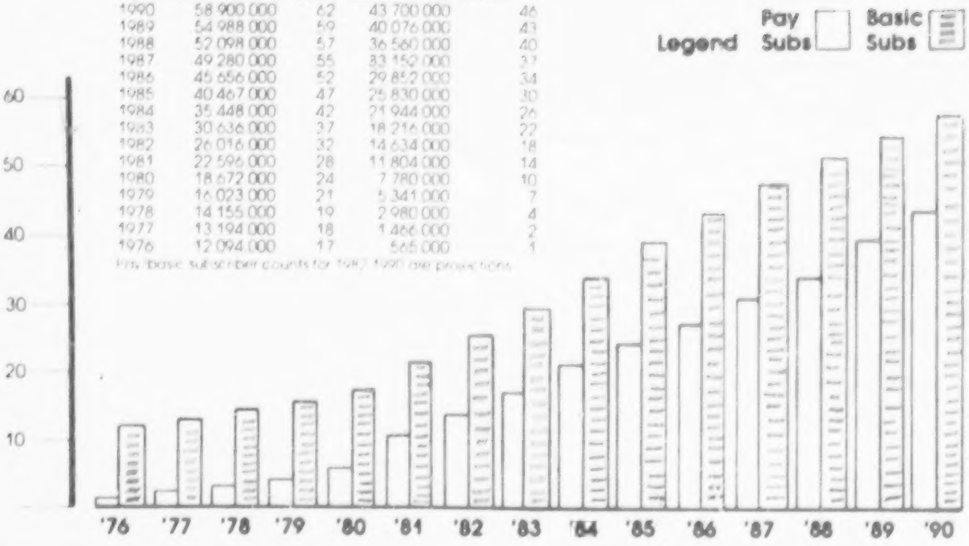

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Figures are as of May 31, 1982

Film product comparison—October

Film	Networks					Distributor
Adventures of the Wilderness Family	HBO		TMC			Simcom
The Affairs of Dobie Gillis		ST				MGM/UA
Agency	(HBO)		TMC*			Viacom
Airplane			(TMC)	(HTN)		Paramount
Alice Sweet Alice		ST*				Lanmar
All Night Long		ST*			C*	Universal
All the Marbles	(HBO)	(ST)	TMC*			MGM/UA
Altered States		ST				Paramount
American Gigolo		ST*	TMC*		C*	Paramount
Animals are Beautiful People				(HTN)	C	Warner Bros
Any Number Can Play					C	MGM/UA
Any Which Way You Can		ST	TMC	HTN		Warner Bros
Arthur	HBO	ST	TMC	HTN		Warner Bros
Ask Any Girl				HTN		MGM/UA
Athena		ST				MGM/UA
Baa Baa Black Sheep					C	Granada
Bear Island	HBO					Selkirk
Beau Pere			TMC			Film Gallery
Beyond Evil		ST				Film Gallery
Black Beauty	(HBO)	ST				Paramount
Blood Barrier		(ST)	TMC			Hemdale
Bloodbrothers		ST			C*	Warner Bros
The Blue Lagoon	HBO	(ST)	(TMC)			Columbia
Body and Soul		ST	TMC			Viacom
Body Heat	HBO	ST	TMC			Warner Bros
The Boogey Man			TMC*			G5
Breaker Morant				(HTN)	C*	New World
Breakthrough	(HBO)			HTN		Worldvision
Brian's Song		ST*		(HTN)	C*	Columbia
The Brothers Karamazov				HTN*	C	MGM/UA
Can You Keep It Up for a Week?		ST				Miramax
Candy					C	Viacom
The Cannonball Run	HBO*					HBO
Carbon Copy	HBO*					Embassy
Carry on, Emmanuelle		ST*				Excel Video
The Cat and the Canary			(TMC)	HTN*		Universal
The Cincinnati Kid					C	MGM/UA
Circle of Two	HBO*		(TMC)			World Northal
The Club		ST				Cinaco
Coming Out Alive			TMC			D.L. Taffner
Confessions of a Window Cleaner					C	Columbia
Contract on Cherry Street	HBO*					Columbia
Death Valley	HBO	ST	(TMC)			Universal
The Elephant Man				(HTN)	C	Paramount
Endless Love	HBO*					PolyGram
Emily		ST				Atlantic
Escape from New York	(HBO)				C	Embassy
Fade to Black		ST	(TMC)			Compass International
Far from the Madding Crowd	(HBO)	(ST)		HTN*		MGM/UA
Father of the Bride		(ST)		HTN	C	MGM/UA
Fear No Evil		ST			(C)	Embassy
Fiddler on the Roof				HTN	C	MGM/UA
The Fifth Musketeer					C*	Columbia
The Final Conflict	HBO					20th Century-Fox
First Family	(HBO)	ST				Warner Bros
First Monday in October	HBO	ST	TMC	HTN		Paramount
The First Time				TMC		Film Gallery
The 500 Pound Jerk				HTN		Universal
Forever Darling		ST				MGM/UA
The Formula		ST				MGM/UA
Fort Apache the Bronx					C*	HBO
The Four Seasons	HBO*	(ST)	(TMC)	(HTN)		Universal
The French Woman		(ST)			C	Orion
From Hell to Victory	(HBO)		(TMC)	HTN*		Worldvision
Galaxy of Terror	(HBO)	(ST)	TMC			New World
The Gambler			TMC			Viacom
The Gang That Couldn't Shoot Straight				HTN		MGM/UA
The Great Bank Hoax				(HTN)	C	Warner Bros
The Great Brain					C	HBO
The Great Caruso				HTN		MGM/UA
The Great Muppet Caper	HBO*					AFD
The Great Train Robbery				HTN	C	MGM/UA
Green Ice	HBO					AFD
Halloween II	HBO	ST	TMC			Universal
The Hanging Tree				(HTN)	C*	Warner Bros
Hans Christian Anderson's Magic Adventure					C*	Angel Ibarra
The Happy Hooker Goes To Hollywood					C*	Swank
Harry's War	HBO*	(ST)	(TMC)			Cy Fisher
Heartbeeps		ST	(TMC)	(HTN)		Universal
Heartland		ST*	(TMC)			William Morris
Heaven Can Wait	(HBO)	(ST)	(TMC)	(HTN)		Paramount
Hell's Angels				(HTN)	C	Universal
High Ice					C	HBO
High Midnight				HTN		Universal
History of the World, Part I	HBO*	(ST)	(TMC)			20th Century-Fox
Hoodwink			TMC			AFC
The Hound of the Baskervilles			TMC			Film Gallery
House Calls	HBO	ST	TMC	HTN		Universal
The Howling		ST*				Wescom
The Hunter		ST	(TMC)		C*	Paramount
I Sent a Letter to My Love		(ST)		HTN		Atlantic
I'll Cry Tomorrow				(HTN)	C*	MGM/UA
Improper Channels		ST		(HTN)		Crown International
The Incredible Shrinking Woman		(ST)	(TMC)	HTN		Universal
In Praise of Older Women					C*	Embassy
Inside Moves			(TMC)		C*	AFD
The Irishman	HBO*					Atlantic
Islands in the Stream	HBO			HTN		Paramount
The Jazz Singer	HBO				(C)	EMI
Jonathan Livingston Seagull				HTN		Paramount
Joseph Andrews			TMC			Paramount
Jupiter's Darling				HTN		MGM/UA
Key to the City		ST*				MGM/UA
The Kid from Not So Big	HBO*			(HTN)		Film Gallery
L'Incorrigible					C	Orion
La Cage Aux Folles	HBO				(C)	MGM/UA
La Strada					C	Janus
Lady Oscar			TMC			Sanrio
Legend of the Wild	HBO					Sunn Classic
Let's Do It Again					C*	Warner Bros
Lion of the Desert	HBO*					Magnum
Little Darlings		(ST)	(TMC)		C*	Paramount

Cable stats

Film	Networks					Distributor
The Little Dragons		ST	(TMC)			Scott Moger
The Little Hut		ST				MGM/UA
Looker	HBO*	ST*	TMC*	(HTN)		Warner Bros
The Looney, Looney, Looney Bugs Bunny Movie	HBO*	(ST)	(TMC)	(HTN)		Warner Bros
Loophole				HTN*		Telepictures
The Loved One		ST				MGM/UA
Lovers and Liars			TMC*			Samuel Goldwyn Co
Lunch Wagon		ST*	(TMC)		C*	Seymour Borde
Mad Max					C*	Orion
Marco Polo Jr				HTN		SMA Entertainment
The Marvelous Land of Oz				HTN*		Universal
The Mirror Crack'd					C	EMI
The Million Dollar Face					C	HBO
Mommie Dearest	HBO*	ST*	(TMC)			Paramount
Monty Python and the Holy Grail			(TMC)		C*	Cinema 5
Moscow Does Not Believe in Tears		ST	(TMC)			IFEX
My Champion	(HBO)	ST*				Film Gallery
My Palikari			TMC			Thorn EMI
Naughty Wives		ST				Wrightwood
The Nesting	HBO*					Quality Cable
The Night the Lights Went Out in Georgia	HBO*					Viacom
Nijinsky		ST			C	Paramount
The Offence					C	MGM/UA
On the Air Live with Captain Midnight			TMC			Paramount
On the Nickel			TMC			A. Bell
One on One	HBO			HTN		Warner Bros
Only When I Laugh	HBO*					Columbia
Ordinary People			(TMC)		C	Paramount
Pacific Inferno			TMC			SMA Entertainment
Paper Tiger			(TMC)		C	Castle Hill
Phobia		ST				Paramount
The Pilot	(HBO)		(TMC)	HTN*		Atlantic
Popeye			TMC	(HTN)		Paramount
Portrait of a Rebel Margaret Sanger	HBO					HBO
The Private Eyes	HBO			HTN*		HBO
Private Lessons	HBO	ST	TMC			Universal
The Pursuit of D.B. Cooper					C	PolyGram
The Rain People					C	Warner Bros
Raintree County		(ST)			C	MGM/UA
Rashomon					C*	Janus
Return of the Dragon			TMC			Warner Bros
The Return of a Man Called Horse					C*	MGM/UA
Road Games			TMC		C	Embassy
Robin and Marian					C*	Columbia
Rockshow					C*	Miramax
Royal Wedding		(ST)		HTN*		MGM/UA
Salem's Lot: The Movie	(HBO)	ST				Warner Bros
The Sea Wolves	HBO					Lorimar
The Shogun Warriors Grandizer		ST				Ilrum Group
Silence of the North	HBO		(TMC)	(HTN)		Universal
Silk Stockings		(ST)			C	MGM/UA
Silver Bears					C	Viacom
Sinbad and the Eye of the Tiger					C*	Columbia

Film	Networks					Distributor
Sphinx		ST*		(HTN)		Warner Bros
Spirit of the Wind	HBO	ST				Atlantic
The Split					C*	MGM/UA
Stir Crazy		(ST)	TMC			Columbia
Strange Behavior		ST*	TMC			World Northal
Stripes	HBO*	(ST)	(TMC)	(HTN)		Columbia
Sunday in New York		ST				MGM/UA
Sunday Lovers			TMC			MGM/UA
Superfly					C*	Warner Bros
Take This Job and Shove It	(HBO)				C	Embassy
Tarzan, The Ape Man	HBO*	(ST)	(TMC)			MGM/UA
Tattoo	HBO	ST	TMC			20th Century Fox
Tell Me a Riddle			TMC*			Film Gallery
Tess	(HBO)			HTN*		Columbia
Three Guys Named Mike		ST				MGM/UA
Toby and the Koala Bear		(ST)	TMC		(C)	Saton
Tom Sawyer					C*	MGM/UA
Tribute					C*	HBO
Trilogy	HBO	(ST)				Viacom
Tulips	HBO*					Embassy
The Tunnel of Love		ST				MGM/UA
Two Weeks in Another Town				HTN		MGM/UA
Underground Aces			TMC			Orion
Urban Cowboy					C*	Paramount
The Venetian Affair				HTN		MGM/UA
The Wanderers					C*	Warner Bros
The Water Babies			(TMC)	HTN*		Scott Moger
Who Has Seen the Wind	HBO		TMC			Janus
Wolfen	(HBO)	ST*	(TMC)			Warner Bros
Zoot Suit		ST	(TMC)			Universal
Zorro, The Gay Blade	(HBO)	(ST)	TMC*	(HTN)		20th Century Fox

■ Cable Network Legend

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in May, June, July, August and/or September.

■ An asterisk following a network indicates the film is a carry over from May, June, July, August and/or September.

■ In total, 198 films appear on the October schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (May-September 1982), nine films have appeared on four of the five services, 28 on three and 58 on two services. One hundred and three films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 35, followed by Warner Brothers with 21 and Paramount with 18.

■ A clean sweep of program guide covers this month for "Arthur," the millionaire playboy comedy starring Dudley Moore. The film gets sole cover coverage on the HBO and HTN Plus guides and shares billing with "Body Heat" on the HBO/Cinemax and TMC guides. Also on the Cinemax guide: boxing champion Marvin Hagler in an upcoming match, and an Elizabeth Taylor Film Festival. "First Monday in October," teaming Walter Matthau with Jill Clayburgh, appears on the TMC and Showtime guides. Also on Showtime: the Broadway special "Fifth of July," and another episode of "Faerie Tale Theater."

■ Last month's "Film product comparison" chart (CV 9/6/82, pps. 135-136) inadvertently omitted two movies featured on Cinemax's program guide—"Tribute" and "Endless Love." CableVision regrets the omission.

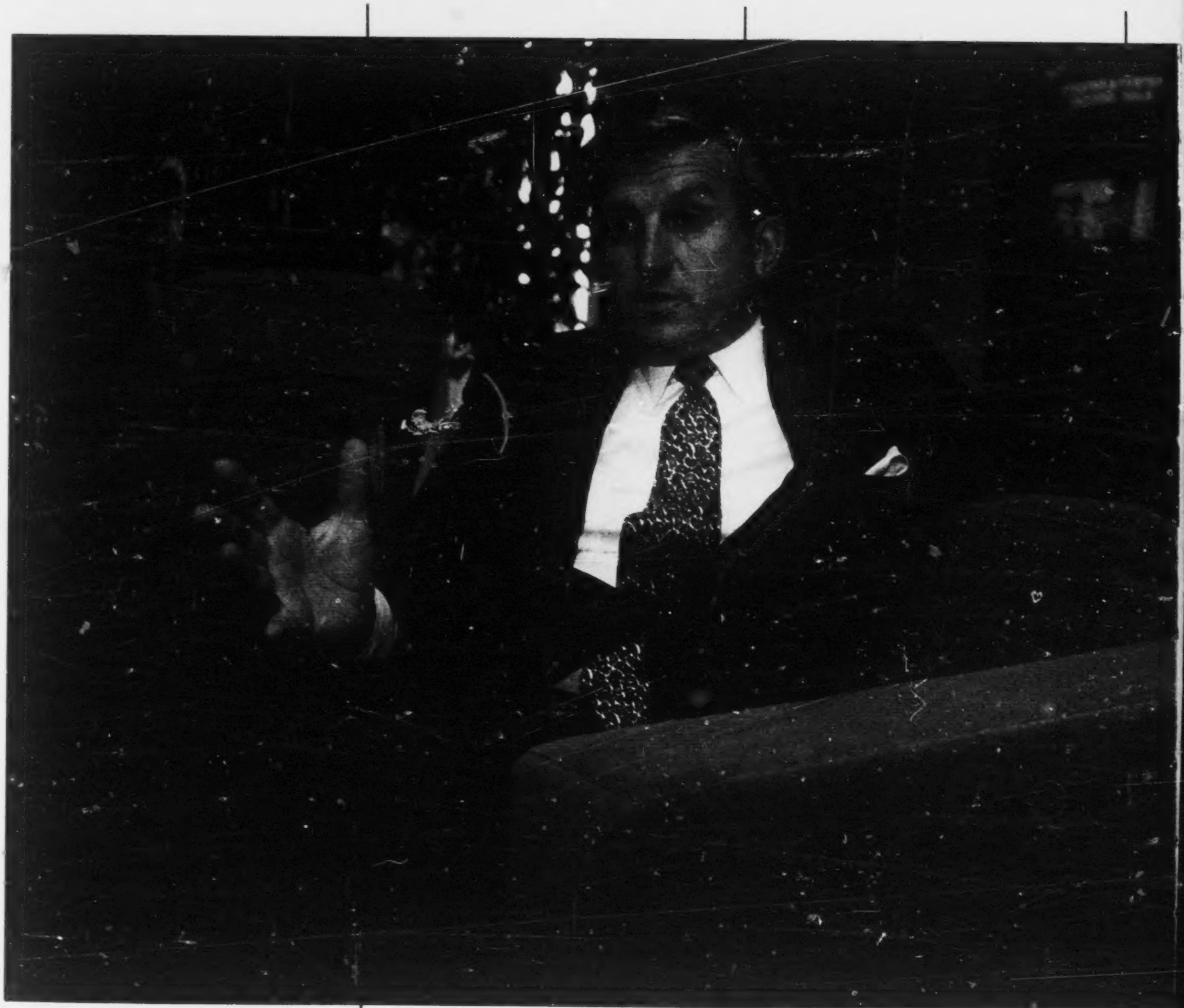
Satellite-fed cable programming services

	July 30, 1982		August 30, 1982	
Basic services	**Affiliates**	**Subscribers**	**Affiliates**	**Subscribers**
Alpha Repertory Television Service (ARTS)	1,650	7,500,000	1,650	7,500,000
Appalachian Community Service Network (ACSN)	224	1,720,717	244	1,800,000
Black Entertainment Television (BET)	865	9,800,00	865	N.A.
CBN Cable Network	3,050	17,400,000	3,135	17,800,000
CBS Cable	502	5,000,000	504	5,000,000
Cable News Network (CNN)	2,556	13,855,000	2,681	14,670,000
CNN Headline News	205	1,450,007	232	1,600,000
Cable Satellite Public Affairs Network (C-SPAN)	1,000	11,000,000	1,000	11,000,000
Cable Health Network (CHN)	N.A.	N.A.	N.A.	N.A.
Daytime	422	5,800,000	500	6,800,000
Dow Jones Cable News	48	550,000	55	600,000
Electronic Program Guide (EPG)	24	370,000	34	509,791
Entertainment and Sports Programming Network (ESPN)	4,211	17,520,187	4,392	18,066,455
Eternal Word Television Network (EWTN)	32	437,000	33	565,000
Financial News Network (FNN)	26	450,000	30	679,000
Modern Satellite Network (MSN)	389	4,833,000	400	5,240,760
Music Television (MTV)	N.A.	N.A.	700	6,000,000
National Christian Network	50	746,228	68	1,360,531
National Jewish Television	97	2,146,100	98	2,146,200
Nickelodeon	1,725	7,700,000	1,770	8,700,000
North American Newstime/The Travel Channel	N.A.	N.A.	N.A.	N.A.
PTL Satellite Network	600	5,500,000	600	5,500,000
Renters News View	N.A.	N.A.	N.A.	N.A.
National Spanish Television Network (SIN)[1]	192	30,367,300	192	30,367,300
Satellite Program Network (SPN)[2]	400	4,757,126	410	4,757,126
Satellite News Channel I	425	3,100,000	425	3,100,000
Trinity Broadcasting Network	213	2,650,000	213	2,650,000
USA Network	2,000	12,000,000	2,000	12,000,000
The Weather Channel	485	4,600,000	534	5,100,000
WGN	3,098	9,328,823	3,230	9,619,396
WOR	620	4,200,000	630	4,234,301
WTBS	4,337	22,005,000	4,535	22,005,000
Basic audio services				
Lifestyle	63	650,000	68	700,500
WFMT	147	837,714	153	854,273
Pay services				
Bravo	40	65,734	N.A.	N.A.
Cinemax	1,000	1,500,000	1,000	1,500,000
The Entertainment Channel (TEC)	N.A.	N.A.	15	N.A.
EROS	7	35,000	10	50,000
Escapade	170	265,478	N.A.	N.A.

	July 30, 1982		August 30, 1982	
Pay services	**Affiliates**	**Subscribers**	**Affiliates**	**Subscribers**
Galavision	134	100,000	145	100,000
Home Box Office (HBO)	3,600	9,000,000	3,600	9,000,000
Home Theater Network Plus	N.A.	N.A.	N.A.	N.A.
The Movie Channel (TMC)	2,150	2,200,000	2,150	2,200,000
Showtime	1,800	3,500,000	1,800	3,500,000

Announced satellite-fed cable services	Projected launch date
ABC/ESPN Pay Service	4th quarter 1982
Aim Group Network	to be announced
Apollo Satellite Television	T.B.A.
The Buena Vista Channel	1st quarter 1983
Cable News Corporation	1/38
Cableshop	4/83
Catholic Telecommunications Network	9/82
Christian Media Network	relaunch T.B.A.
Cinemerica	T.B.A.
The Community Channel	T.B.A.
The Disney Channel	2nd quarter 1983
Family Programming Network	T.B.A.
Heartbeat Media Network	4th quarter 1982
Home Music Store	1983-84 launch
The Job Channel	T.B.A.
Kidvid Network	10/82
Lewmark Productions Music	T.B.A.
Magicable	3rd quarter 1984
Nashville Network	2/83
National Jazz Network	1982
PBS Cable	T.B.A.
Penthouse Entertainment Network	T.B.A.
Satellite News Channel II	2nd quarter 1983
Sitcom Channel (Channeltainment)	1st quarter 1984
Spanish Universal Network	T.B.A.
SPN/International Network	T.B.A.
SPN/Financial-Religious Network	T.B.A.
SPN/Classic Movie Network	T.B.A.
SPN/How-To-Network	T.B.A.
Top Entertainment Network	T.B.A.
United Satellite Television Network (4 services)	1st quarter 1983
UTV Cable Network	1/83
Video Concert Hall	T.B.A.
Window	T.B.A.

[1] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 24,000,000.
[2] Subscriber count denotes households receiving signal.
N.A. designates not available.



Gene Jankowski stresses that although CBS Cable is no longer, the venture was not a total failure. In terms of the programming content, "Everybody's very, very proud of what we were able to provide." At right, "40 Second Variations" by Kenneth Rinker and Co.

CV PLUS design by Robert D. Tonsing

Conclusion of a class act

CBS/Broadcast Group president reflects, projects, deflects on the eve of CBS Cable's first and last birthday.

By Jeri Baker

photo by Robert D. Tonsing

Gene Jankowski, a youthful, athletic-looking 48, has more than two decades behind him at CBS Inc. He emerged from the radio and TV sales ranks to become corporate controller in 1976. By 1977, he'd won his current post, which has grown to include cable and ventures into teletext and multichannel MDS.

So when he agrees to an interview—as he did both before and after announcement of the decision to end CBS Cable, he is more than veteran enough to recollect certain things his company wants discussed and certain things it doesn't.

That was already clear when, after a few opening parries, the first meeting broke for President Reagan's hastily televised announcement of the agreement on Palestinian withdrawal from West Beirut.

Reagan was avalanched with questions, though reporters had been told none would be taken. As he tarried, reluctantly fielding one after another, Jankowski bounded toward the bank of monitors on his wall as if physically to shepherd the president offscreen. "Leave, leave," he urged. "You don't have to answer. Just walk away."

It was a scene to give pause to anyone coming to question Jankowski himself.

CBS had been frankly unenthusiastic about the timing of the first encounter. CBS Cable was on the block. Beleaguered employees openly predicted that any minute there would be a merger of the basic cable network with Cablevision Programming Enterprises' Bravo, the pay version of cultural programming. But there could be no public acknowledgement of those talks, and CBS was to become more and more chagrined by optimistic leaks that ultimately proved wrong.

In addition, unknown to interviewer and interviewee, their Friday meeting would be followed Monday by a *New York Magazine* scoop that CBS chairman William Paley had decided to retire. The corporate reaction, or lack of it, touched off rumors that CBS Inc. President Thomas Wyman had been unaware Paley was telling friends of a firm plan.

Things were, in short, in flux.

Students of the company have always believed Wyman, and John Backe before him, tailored CBS' delicate cable entry to appeal to Paley's interest in the performing arts. Wouldn't Wyman be all the more inclined to transform or abandon it if Paley were gone? Jankowski himself, according to a former peer, was no fan of CBS Cable and hadn't cheered its switch from corporate unit to a division of his Broadcast Group. Broadcasting had carried the load for CBS Inc. in 1981, accounting for more than half its after-tax earnings, while other traditional lines of business wobbled.

Jankowski, it's said, foresaw the resentment of CBS broadcast affiliates, to whom, by virtue of his position, he *is* the network. The same source credits him with

'It was noble try. Maybe it was just a little bit premature.'

"Pilobolus on Broadway," a CBS Cable production in association with McCann and Nugent, was one of the network's scheduled 1983 offerings.

accurate judgment about the new venture's troubled road.

CBS Cable's losses, confirmed at $30 million-plus for 1982, stemmed partly from Paley's own override of a plan to cut back quickly on program production and acquisition. The original strategy called for a lavish debut to establish the image. Then the tiny network would rely on re-runs and wait out any advertiser reluctance before committing to big budgets. But the chairman, so the story goes, was proud of the programming, which continued to collect raves. He wanted much more of it.

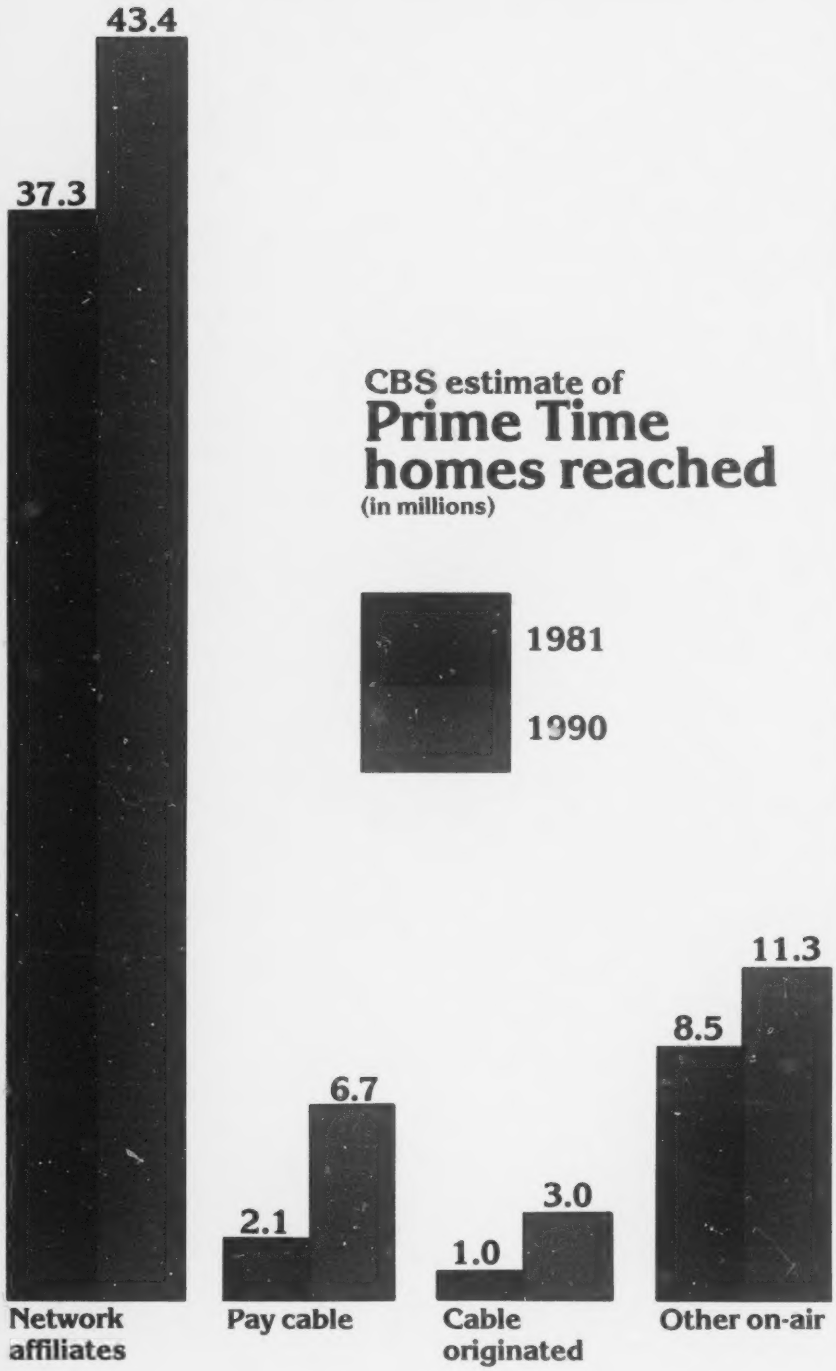
(Jankowski insists that coincidence is the only connection between Paley's exit and CBS Cable's demise. "Mr. Paley was very much involved in the Board's unanimous decision about shutting down by January," he said.)

View from Madison Ave.

Reluctance is a mild way to describe what CBS Cable, and the other networks spawned at the same time, ran into on Madison Avenue. Actual ad revenues came to well under half the level CBS projected—a "silly projection anyway," said one top agency's cable executive, bristling at CBS' repeated reference to the failure of advertisers to come through on promises to cable. "We put in the 5 percent of some clients' budgets, just as we said we would. But there were a lot of ways to spread. Did CBS expect to get it all?" As it was, the network had to drop its $2,400-per-60-second rate. Even though 30s could go for $500, buyers still had to take a spot on the original showing plus three repeats, for a total $2,000 minimum. By contrast, ARTS' 30s, at perhaps $800, include a West Coast repeat free. The strategy of program cutbacks eventually was imposed in February.

By then, rumors were rampant that the company would abandon basic cable for pay, and the "Fix it or kill it" order already had been given—four months after the launch of a service CBS had publicly estimated might take four years to come into its own.

It was also in February that Thomas Wyman, addressing a glum group of securities analysts, assured Wall Street that the new cable/home video joint venture between CBS Inc. and 20th Century-Fox meant CBS Cable losses in 1982 would be shared between the two. But there would soon come a no-confidence



CBS estimate of Prime Time homes reached
(in millions)

vote from Fox. It declined to make CBS Cable a part of the alliance.

On Sept. 6, Jankowski returned from vacation and plunged into preparation of the Group's budget, due before the corporation in mid-October. Warm talks between Tom Leahy, executive vice president of the Broadcast Group, and Chuck Dolan, general partner in Cablevision Programming Enterprises, heated and exploded on Sept. 9 over a last-minute, non-negotiable demand that CBS be free of a CBS/Bravo distribution agreement with another Dolan company, Rainbow, after five years.

On Sept. 13, one month before the Oct. 12 anniversary of CBS Cable's birth, CBS announced it would fold the network.

On Sept. 15, Jankowski sat for a second *CableVision Plus* interview. (See also highlights in *CV*, 9/27/82, p. 13.)

CV: What happened?

Jankowski: What happened is that this is the point of reinvestment, the time to face the 1983 budget. We had to say, "OK, guys, we're going to plow ahead with this" or . . .

CV: How big an investment?

Jankowski: Substantial. Less than the $30 million that's been bandied about.

[*This is a reference to CBS Cable's estimated $30-35 million loss, which CBS has quibbled about but generally confirmed. Additional start-up expense has been tallied in some Wall Street corners at another $25 million, which was about the amount of the loss company watchers expected for a continued operation next year.*]

Then you have to say, "OK, do we see any light at the end of the tunnel?" If we made the investment in '83, what would happen in '84?

One of the things our original projections counted on was that many of the major cities would start to be wired. In the last year, MSOs' timetables have slipped. The Queens and Brooklyn problems seem to drag on, Dallas isn't where it was supposed to be, Detroit attracted little interest in its RFP . . .

CBS Cable obviously would have found its audience in the more sophisticated urban areas. With those less accessible, and with the lack of support we've had from advertisers . . . albeit, we did have major agencies giving us ad dollars, it wasn't nearly the amount we would have to have.

CV: One former CBS executive says your projections called for $20 million in ad revenue and you got $8 million. Can you comment on that?

> *'One of the things our original projections counted on was that many of the major cities would start to be wired.'*

Jankowski: Not too far out of the ballpark.

CV: It's been said that you personally did not view as the most happy news the decision last year to turn CBS Cable into a division of your Broadcast Group. One, because you rightly expected broadcast affiliate discontent. Two, because you were prescient enough to figure ad dollars weren't going to materialize at the rate expected. What was your reaction to your inheritance of CBS Cable?

Jankowski: A very honest answer is that we said we would do the best we could to make it go.

CV: But how foresighted were you at that point? What I'm asking is whether you are surprised.

Jankowski: Am I surprised? Disappointed. I knew we'd have a tough go of it. But despite what some press said, there was no bad planning. There really wasn't. Based on the way the industry was progressing at the time, based on the attitudes of ad agencies and their clients, based on the economy, our feeling was that our sales estimates were not out of line.

As the year progressed, the economy worsened. That was a major part of our problem, I think. The uncertainty, the rumors started not by us but by the media that the service was going to go pay… Well, it wasn't going to go pay. First of all, the technology does not exist to allow us to have had 5.5 million subscribers this early on. But the rumors made our selling efforts that much more difficult.

CV: You've said you consider CBS Cable a success by three of the four yardsticks you set up. Explain.

Jankowski: From a content point, we wanted programming that wasn't abundantly available on commercial broadcasting. We succeeded in marvelous fashion. Everybody's very, very proud of what we were able to provide.

It didn't cost us a bloody fortune. Everybody says, "Well, my God, you went out and overspent." We did not. Because of the repeat cycle cable can enjoy, even if we spent $100,000 per hour, if we ran it ten times, the cost per exposure is miniscule.

The third point we consider a success is the degree by which we beat our subscriber budget. Projections called for a reach of 5.5 million by the end of this year. CBS Cable hit five million at the end of June and upped the year-end figure to six million.

For the quality we delivered that got us to this point, it's a real tribute to the people who worked so hard.

'For the quality we delivered that got us to this point, it's a real tribute to the people who worked so hard.'

photo by Robert D. Tonsing

CV: Speaking of whom, how long are their contracts and what becomes of them?

Jankowski: We hope we find places for them. We want to hold on to them. We have some real stars over there—not the least of whom is Programming Vice President Jack Willis. He's really special. He's under contract, happily. So I'm not concerned.

CV: How about Dick Cox, the president of CBS Cable?

Jankowski: I don't believe executive management is under contract. I'm not saying we'll be able to place all people. But every effort is being made to place as many as we can.

CV: Before you made the announcement of your decision on CBS Cable, you had had discussions with MSOs about its disposition. Characterize those talks.

Jankowski: They were on a "what if" basis. The feedback I got was "This is terrible. CBS has brought a lot to the cable industry and every effort should be made to keep this thing alive." Some of them suggested that maybe we should consider fees. Some were willing to pay a fee to help us keep it going.

[*Jankowski's report of MSO sentiment was confirmed indirectly a day or so later. A representative of another troubled basic cable network said wonderingly that an affiliate had allowed that maybe CBS Cable's fate suggested MSOs "better agree to fees just to keep suppliers in business."*]

CV: You've called the whole enterprise "a noble try."

Jankowski: It was a noble try. Maybe it was just a little bit premature.

The thing you cannot forget is that this is a new development. Every new development is running against the odds of success. The fact that it failed is in no way a problem. Most do. CBS has had failures in the past. We used to manufacture television sets and we got out of that. God knows, we have programming failures every year.

[*A day before, Jankowski lightly reminded securities analysts that two prime-time series cancellations could cost more than even the worst case write-off on CBS Cable. That pointed lesson in the economics of a $2 billion corporation underpins assessments—one serious, one snide—from observers of the company's decision to bow out of cable networking: One, a $30-, $40-, or $50-million "sacrificial lamb" is a fairly inexpensive way for a company fearful of Wall Street's judgment to prove its willingness to make tough management decisions. Two, launching a service and pulling the plug 11 months later is also a fairly inexpensive—and very dramatic—way to prove cable doesn't work.*]

CV: What will happen to the equipment and financial incentives offered to encourage affiliations?

Jankowski: That's being evaluated now. The good will of MSOs is very important to us.

CV: Which would demand that you not take back earth stations or any unspent marketing money?

Jankowski: Well, I don't know about "demand." It certainly suggests it strongly.

CV: How do you assess the marketability of CBS Cable's 440 hours of programming?

Jankowski: CBS International is selling a catalog-full. There is a lot of interest overseas.

CV: You have said that, worst case,

> 'The rumors (that CBS would go pay) made our selling efforts that much more difficult.'

photo by Robert D. Tonsing

CBS could have to write off another $10 million to $12 million in the third quarter, depending on program sales. Do you estimate the value of the CBS Cable inventory at that amount?

Jankowski: At least that, yes.

[*Broadcast Group Executive Vice President Tom Leahy, to whom CBS Cable reported, elaborated later: The remaining book value of the cable network's wares is put at some $12-$15 million. But that includes commitments made for material that will not now be produced. The actual value of the programming owned and in hand, then, "drops to about nine-ish," according to Leahy.*]

***CV*:** How does the financial interest rule affect your use of the programming?

Jankowski: I don't think it does, really. The financial interest rule, which the FCC is re-evaluating now, says we can't syndicate programming we own.

***CV*:** How much of what was produced or acquired do you own?

Jankowski: Well, you could say we own all of it or have rights to all of it.

***CV*:** What sort of rights? Cable? Broadcast?

Jankowski: To do something else with it, something other than the CBS Cable run. We can sell it to other cable networks, we can put it on cassettes for home use, we could sell it to a syndicator.

[*Leahy again provided details: "We own between 50 and something under 60 percent of all CBS Cable programming. In addition to 'Signature,' there are things like 'Early Days' with Ralph Richardson, 'Basie at Carnegie Hall,' that kind of evergreen event. In all cases—programming owned and produced, acquired domestically or acquired overseas--we have the domestic rights, assignable to other cable services. Pay channels have indicated interest. We could also use the material on our owned-and-operated stations, and we are having discussions about some use on the CBS network."*]

The following comments are excerpted from an interview with Jankowski on August 20, prior to the announcement of the demise of CBS Cable.

***CV*:** What about your franchising plans? Do you plan to reach the 90,000-subscriber limit the FCC allotted you? Will you do acquisitions? Where are you on that schedule?

Jankowski: That's one of the things I hope we learn how to block off. We learned a lot in our Alameda franchise bid. We came in a close second. I'm happy with that. A lot of us are, all things considered.

***CV*:** Does that mean you wouldn't want to be in Alameda now, all things considered?

Jankowski: No, no. But I gather the situation still isn't clear there. And considering the fact that we got in at the eleventh hour, that we wound up as close as we did under the circumstances, is a tribute to the people we had and the effort we put forth.

Our Blackhawk Cable acquisition is an up-to-date, 35-channel system located in a very fast-growing part of the country, Dallas and Fort Worth. We're going to learn a lot there—who subscribes and who doesn't and why. Because in a couple of the little towns we serve, the subscription rate is very low.

***CV*:** But are you saying you won't go forward, even to the 90,000 minimum?

Jankowski: That decision is not made either. What we're going to do is monitor it very closely and see what we can learn by being a hardware operator. In the meantime, the FCC has asked for comments on whether or not the ban on network ownership of cable should change.

CBS Cable covered the musical spectrum, ranging from an 11-hour series with the Vienna Philharmonic: "Bernstein Conducts Beethoven," to "Call Me Betty Carter," a program of bebop jazz (below).

Blackhawk will give us the information to prepare to respond if and when that happens.

CV**:** But you would certainly go forward aggressively in requesting that the rules be changed, without waiting to see what happens to you in Texas?

Jankowski: That's based on principle. Absolutely true, yes. We think the rules are discriminatory.

CV**:** What other kinds of cable programming might CBS involve itself in?

Jankowski: What other kinds of cable programming might other organizations involve themselves in?

CV**:** Are you still interested in cable sports?

Jankowski: We're interested in a lot of things that I really don't want to get into. Because from a thought point of view, an idea point of view, I'm not so sure we want to share.

CV**:** Cable as a vehicle for sports to supplement commercial television—how does that fit into your thinking?

Jankowski: I think people will always pay for what they've always paid for. They will pay for movies and sports, especially at the local level. I think we'll benefit from pay television. As a matter of fact, the first two rounds of Masters Golf appeared on USA Network, and HBO carries U.S. Open tennis—in both cases the parts that CBS doesn't provide.

CV**:** When you say people will pay for what they've always paid for, you mean box office events?

Jankowski: Yes. HBO's been able to demonstrate that. And the recent trend in regional-based sports—well, it's not a trend yet—but the steps taken by TEN in Chicago, or Bill Daniels with the U.S. Football League or Chuck Dolan with the Yankees are initial moves. Again, the emphasis we have is at the local level. But I don't think people would pay for entertainment programming on an ongoing basis, non-theatrical. I don't think people would pay to see a weekly series.

CV**:** You're talking for the relatively short term. What about the great sports events that have always been available on commercial television, once your long-term has started?

Jankowski: I think a lot of people were surprised at the amount of money we paid for NFL football. The big events that the mass public has been able to enjoy for so many years will remain in the public domain. I don't believe that five years or 10 years from now, events like the World Series or the Super Bowl are going to be taken away from the free universe and only be available to those who have the financial or technological capacity to receive them.

CV**:** Repeat your evaluation of commercial television's share of the available market by 1990.

Jankowski: By 1990, we estimate that the network share of the commercial marketplace will probably have dropped about 10

CBS at a glance

	6/82	6/81
Revenues	$2.04 billion	$ 1.97 billion
Pre-tax income	101.4 million	111.4 million
Net income	58.3 million	63.5 million
Earnings/share	2.08	2.27*

*(after discontinued operation)

Prime Time share of audience

National Average

	1981/82	1990
Network affiliates	78	70
Pay cable	4	11
Cable originated	2	5
Other on-air	18	18

Note: Source for 1981/82 shares is Nielsen Television Index, July, Nov. 1981; Feb.,May 1982.

points from where it is today. That will make it somewhere in the 70 percent range. But at the same time, we anticipate more than five million (more) TV homes. So if you're talking about prime-time television, the absolute number of homes that will be watching the three networks combined will grow from roughly 38 million homes currently to about 42-43 million by 1990. Right now there are approximately 81 million television homes in the country and we anticipate that by 1990, there will be close to 99 million.

CV: Do you see yourself as the provider of at least one other cable network and as a cable MSO? Is that CBS' future in cable?

Jankowski: I think the track record of CBS—in radio or television or publishing—says that, in the future beyond 1990, CBS will be represented in successful communications vehicles. Now, that could very well be something we haven't talked about. Direct broadcast to motion picture theaters, for example.

[*More frequently discussed is CBS' FCC application for an entry into multichannel MDS. It has won Wall Street plaudits for its economical plan to develop such a system in the five markets where its stations operate. In the words of one analyst, "It will cost less in a year than the company spends in a day." Initial cost is put at $4.5 million.*]

I'm convinced that CBS as an ongoing successful communications complex is going to be represented in whatever it is that's very successful. ■

Below, Shirley Knight in a scene from "Kennedy's Children"—one of CBS Cable's theatrical offerings.

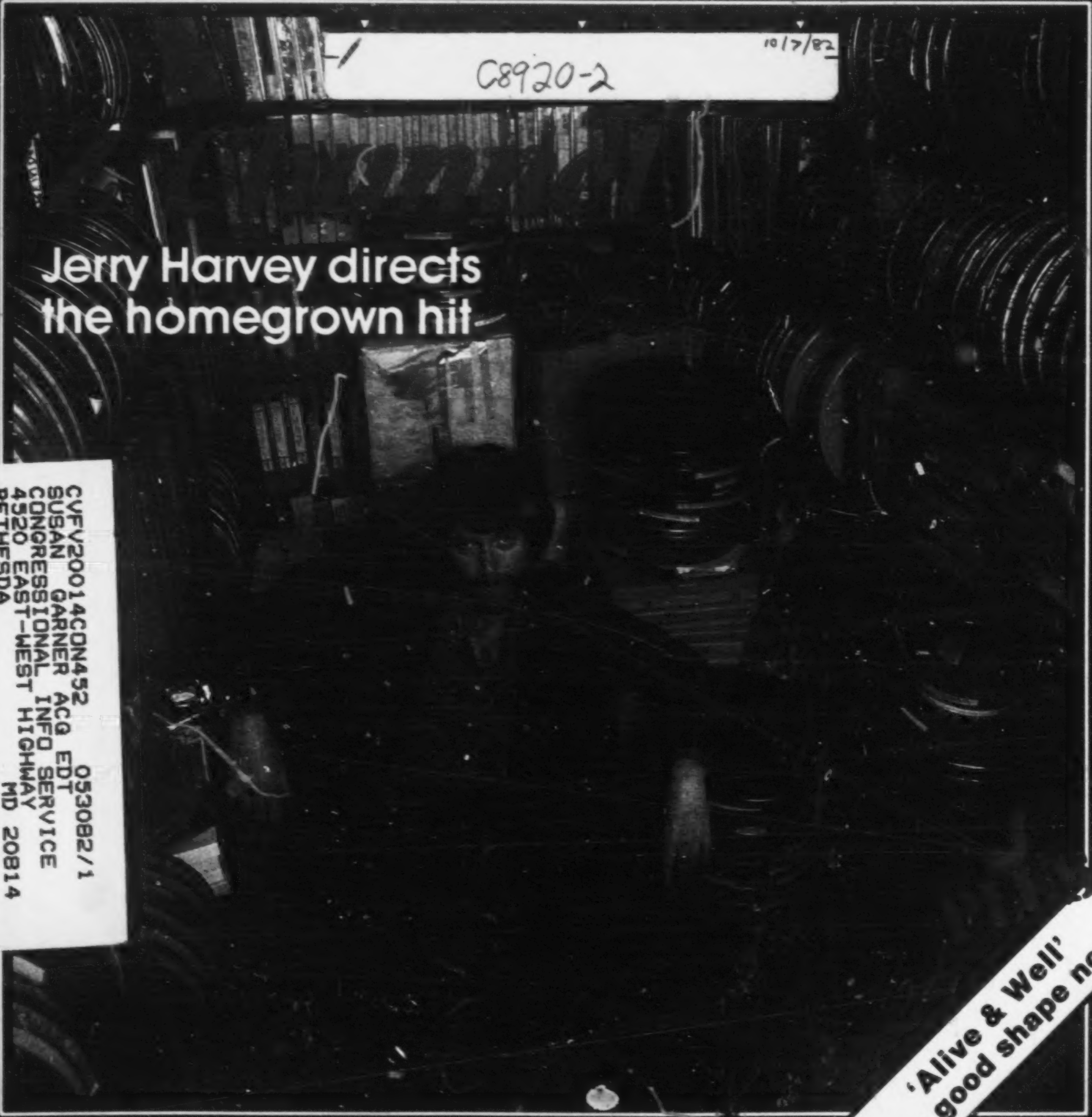
NICKELODEON

- Cereal producers latch on to 'cable for kids'
- House approves copyright bill by big margin
- TBS, NFLPA sign agreement; lawsuits loom
- WIC national gathering zeroes in on context

CableVision

The news and features weekly of the cable television industry October 11, 1982 $3.00

C8920-2 10/7/82



Jerry Harvey directs the homegrown hit

'Alive & Well' in good shape now

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CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
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CableVision October 11, 1982. Volume 8, Number 6

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Member of the Audit Bureau of Circulation. ABC

Craig Leddy

WTBS President Robert Wussler

Turner games

The striking professional football players announced their agreement last week with Turner Broadcasting System, allowing TBS to televise a potential 19 all-star games. The accord is covered by a blanket of possible lawsuits. **Leading the week, pages 13-20.**

Copyright passage

The House of Representatives approved the cable copyright bill (H.R. 5949) by a 347-53 margin. In the Senate, sports interests are pushing for a blackout amendment that could undermine the compromise on the legislation. **Leading the week, pages 13-20.**

Videotex unveiling

CBS and AT&T displayed their experimental videotex project in Ridgewood, N.J., last week. The project is a telephone-based operation, but the ramifications for cable are many. **Leading the week, pages 13-20.**

Bright star

In the first nationwide test of a pay-per-view movie event, *Star Wars* garnered high buy rates in STV and cable systems. A number of operators, however, have expressed concern about possible customer erosion due to the picture's simultaneous theatrical exhibition. **Leading the week, pages 13-20.**

Sacramento winner

In a 9-4 vote last week, United-Tribune was awarded the Sacramento, Calif., franchise. It took nine ballots to come up with the ultimate winner. **Leading the week, pages 13-20.**

Context examination

Women In Cable used its national gathering to explore "Cable in Context." The Philadelphia meeting was keynoted by Gustave Hauser, Warner Amex chairman. **Leading the week, pages 13-20.**

Disney discussions

Alan Wagner, The Disney Channel president, provided a New York audience with future plans of his organization and a few comments about its divorce from Group W. **Leading the week, pages 13-20.**

Packaged news

Video Newscasting Network, a New York-based service that produces videocassettes of broadcast industry news, plans to launch a similar edition for the cable industry. **Page 23.**

Crunchy dollars

Cap'n Crunch, Tony the Tiger and other animated hawkers are bringing their sugar-coated sales pitch to heretofore ad-free children's programming on cable. **Page 30.**

Cable: The winner

Addressability and pay-per-view will help cable dominate the field of alternative technologies in the long run. That is according to a new report from Morgan, Olmstead, Kennedy & Gardner. **Page 55.**

Renewed interested

Franchise renewal — a favorite subject of the cable industry — is becoming a more familiar topic in the lawmaking arena as states, local governments and even Congress attempt to find an orderly method for continuing cable service. **Page 65.**

About the cover

Vera Anderson, a Los Angeles-based photographer, provided this week's cover of Jerry Harvey in MGM's film vaults.

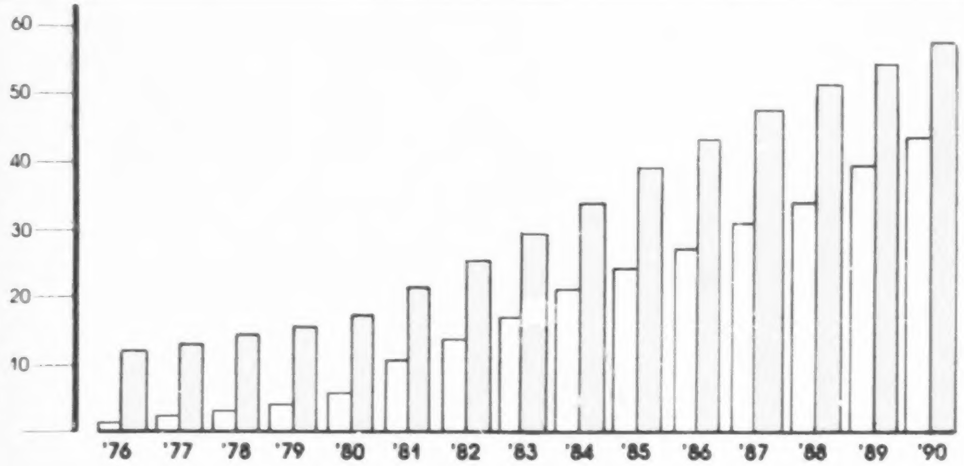
This week in PLUS

The outlook for Group W's Z Channel was said to be dim when HBO, The Movie Channel and Showtime rolled into town. Instead, Z Channel fans keep growing in number and the newcomers have a long way to go to catch up. Los Angeles Bureau Chief Eric Taub visited with Jerry Harvey, the mastermind behind the popular homegrown pay service. USA Network's variety and health show is *Alive & Well*, thank you, but keeping the show in shape was an exercise that strained producers and stars alike. It's a story that could only be told of cable TV, where the creators have time to keep mixing and changing until they get the formula right. A cable mainstay has a new look, a new name and a renewed mission. The Appalachian Community Service Network became The Learning Channel at the Eastern Show in September and it wants to prove that video education can be more than another "Sunrise Semester." **Pages 31-54.**

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

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Percent of HP with pay cable ...	29.87%
Percent of basic subs with pay cable	54.29%

Figures are as of May 31, 1982

National cable advertising

This chart lists national advertising sales by the basic cable networks during August 1982.

Network/Client	Status
ARTS	
Norcliff Thayer	New client
Procter & Gamble	New client
Weight Watchers	New client
Cable Health Network	
Norcliff Thayer	New client
Procter & Gamble	New client
Weight Watchers	New client
CBN Cable Network	
Allen Products	New client
American Express	New client
Citicorp	New client
Corning Glass	New client
Dart & Kraft	Renewal
Eastman Kodak	New client
Formbys	Renewal
Gillette	New client
Hanes	New client
Jeffrey Martin	New client
Nabisco	New client
Nestle	Renewal
Procter & Gamble	Renewal
Reynolds Metals	New client
Richardson-Vicks	Renewal
Selchow & Righter	New client
Sterling Drugs	New client
Sunkist	New client
Trans-World Airlines	New client
CBS Cable	
AT&T	New client
Saks Fifth Avenue	New client*
CNN/CNN Headline News	
Allied Corporation	New client
Aloe Butter	New client*
AMC	New client
American Gas Association	New client
Beaird-Poulan	New client
British Airways	New client
Comfort Glow	New client*
Conoco (Du Pont)	New client
Consumer Union	New client
Eastman Kodak	Renewal
Esmark	New client
E-Z Painter	Renewal
Florida Citrus Commission	Renewal
Ford (Lincoln-Mercury)	Renewal
Hagger Slacks	New client
H.J. Heinz	New client
Home Box Office	Renewal
J.C. Penney	Renewal
Jeffrey-Martin	New client
Lowe's Kitty Litter	New client
Maxell	New client
Nabisco	Renewal
Precision Tune	New client*
Procter & Gamble (Lava Soap)	Renewal
Reader's Digest	New client
Sears	Renewal
Tandy (Radio Shack)	New client
Time-Life	Renewal
Union Carbide	New client
Wang	Renewal
Warner Communications(Atari)	Renewal
Weight Watchers	New client
Women's Day	New client
Daytime	
General Mills	New client
Golden Grain Macaroni	New client

Cable stats

Network/Client	Status
H.J. Heinz	New client
Manufacturers Hanover Trust	Renewal
Norelco	New client
Sears	Renewal
Weight Watchers	New client
ESPN	
AMCA International	New client
Allstate Insurance (Sears)	New client
American Insurance	New client*
American Motors	New client
Beaird-Poulan	New client
Black & Decker	New client
Castrol Motor Oil	New client*
Conoco	New client
Dover Downs Internat'l Speedway	New client*
The Gap	New client
Holly Farms	New client*
McDonald's	New client
Precision Tune	New client
Saks Fifth Avenue	New client
Scott's Liquid Cold	New client
Singapore Airlines	New client
Soloflex	New client
U.S. Games	New client*
Financial News Network	
Andrew Peck	New client
Capital Preservation Fund	Renewal
Computract	Renewal
Dow Jones Publication	Renewal
Forbes	Renewal
International Trading Group	Renewal
Lloyd Bank of California	Renewal
Lowes	New client
Merrill Lynch	Renewal
Remote Computing	New client*
Wellington	Renewal
WFI	Renewal
SNC	
Ace Hardware	Renewal
American Fur Industry	Renewal
American Motors	Renewal
Charles Schwab	Renewal
Chrysler	Renewal
Comerco (Olympic Paints)	Renewal
Corvo Wines	Renewal
Ford	Renewal
General Motors (Chevrolet)	Renewal
Kraft	Renewal
Tandy (Radio Shack)	New client
United Van Lines	Renewal

Network/Client	Status
SIN	
Bayer	New client
Campbell Soup	New client
Eastman Kodak	New client
Faberge	Renewal
General Mills	Renewal
J.C. Penney	New client
Quaker State Oil	New client
Sears	New client
Timex	New client
Union Carbide	New client
Warner Lambert	New client
Western Union	New client
SPN	
AMF	Renewal
Business Week	Renewal
Candie's Shoes	Renewal
Ce Soir	Renewal
Chanel	Renewal
Cheesborough Pond	Renewal
Consumer Reports	Renewal
Cuisinart	Renewal
Dow Jones	Renewal
Estee Lauder	Renewal
Exxon	Renewal
Ford	New client
International Diamond	Renewal
Israel Airways	New client*
Kimberly-Clark	Renewal
Lysol	Renewal
Maxell	New client
Mennen	Renewal
Moosehead Beer	Renewal
Nautilus	Renewal
Nikon	New client
Now Magazine	New client*
Parents' Magazine	New client
Pentel	Renewal
Pollenex	Renewal
Pop Flute (Golf Equipment)	New client*
Preparation H	Renewal
Saffire & Brooks	New client*
Sears	Renewal
Simpson Hair Products	New client*
Sporting News	Renewal
Standard & Poor's	Renewal
Travel Holiday Magazine	Renewal
TWA	Renewal
Time-Life	Renewal
Union-Carbide	Renewal
Vaseline	New client
Video Magazine	New client
Villa Biaachi Wine	Renewal
Vogue Patterns	New client*

Network/Client	Status
Windjammer Cruises	Renewal
USA Network	
AMF (Ben Hogan Golf Clubs)	New client
Aquafilter	New client
Beaird-Poulan	New client
Campbell Soup	New client
Cella Wines	New client
Comfort Glow	New client
CPC International (Hawaiian Punch)	New client
Esmark (Playtex)	New client
The Gap	New client
General Mills	New client
General Motors (Pontiac)	New client
Mita	New client
Saks Fifth Avenue	New client
Searle (Pearl Drops)	New client
Sears	New client
Sharp Electronics	New client
Soloflex	New client
Tandy	New client
Texas Instruments	New client
U.S. Games	New client
The Weather Channel	
American Fur	New client
General Motors (Chevrolet)	New client
Goodyear	New client
London Fog	New client
WTBS	
Anheuser-Busch	Renewal
Ashland Oil	Renewal
Budget Rent-A-Car	New client
Canon	Renewal
Europecraft	New client*
Greyhound	Renewal
HBO	Renewal
Kodak	Renewal
Kraft	Renewal
L'eggs	Renewal
Leisure Dynamics	Renewal
Levi Strauss	New client
Mobile	Renewal
Morton Norwich	Renewal
Norcliff & Thayer	New client
Pocketbook	Renewal
RCA	Renewal
ServiStar	Renewal
Steckon & Richter	Renewal
Warner Comm. (Atari)	Renewal

* designates new to network advertising

Top 20 systems

Rank	Location	Operator	Subscribers	
1	San Diego, Calif	Cox Cable	218,902	(6/82)
2	Santa Monica (L.A. area), Calif	Group W Cable	187,690	
3	Manhattan, N.Y	ATC	159,225	(6/82)
4	Oyster Bay (Long Island), N.Y	Cablevision Systems	156,000	(5/82)
5	West Orange, N.J	Maclean Hunter	140,457	
6	San Antonio, Texas	Rogers-UA Cablesystems	128,255	
7	Wayne, N.J	Rogers-UA Cablesystems	106,900	
8	Tulsa, Okla	United Cable	101,272	
9	Erie County, N.Y	Prime Cable	96,000	
10	Audubon, N.J	NYT Cable	94,777	
11	San Jose, Calif	Gill Industries	91,954	
12	Tidewater, Va	Cox Cable	86,973	(7/82)
13	Austin, Texas	ATC	83,500	(6/82)
14	Central Islip, N.Y	Viacom	82,603	
15	Orlando, Fla	ATC	80,450	(6/82)
16	Seattle, Wash	Group W Cable	77,840	
17	Jefferson Parish/Kenner, La	Cox Cable	75,991	(7/82)
18	Toledo, Ohio	Buckeye Cablevision	74,628	
19	Manhattan, N.Y	Group W Cable	73,957	
20	Honolulu, Hawaii	ATC	71,000	(6/82)

Note: Subscriber counts for MSOs and systems are as of 9/82 unless noted otherwise

Top 20 MSOs

Rank	Multiple System Operator	Subscribers
1	American Television and Communications	1,949,525 (8/82)
2	Tele-Communications Inc	1,900,000 (3/82)
3	Group W Cable	1,759,921 (8/82)
4	Cox Cable Communications	1,164,400 (8/82)
5	Storer Cable Communications	1,063,041
6	Warner Amex Cable Communications	1,000,000
7	Times Mirror	715,754
8	Newhouse Broadcasting[1]	646,277
9	Rogers-UA Cablesystems	560,000
10	Viacom Cablevision[2]	543,098 (7/82)
11	Continental Cablevision	532,000 (8/82)
12	United Cable Television Corp	504,324
13	Sammons Communications	502,152
14	TeleCable Corp	354,500
15	Capital Cities Cable	308,358
16	General Electric Cable Corp	300,000
17	Heritage Communications	254,761
18	Comcast Corp	249,834 (7/82)
19	Cablevision Systems Development	242,000 (7/82)
20	Liberty Communications	220,266 (7/82)

[1] Includes MetroVision, NewChannels, Vision Cable
[2] Includes 40% ownership in NorCal Cable

- WIC confab fires 'Cable in Context' opinions
- NFL files legal bomb against NFLPA and TBS
- Fiscal conditions fail to dampen suppliers' spirits
- Standby power termed a must for CATV systems

CableVision

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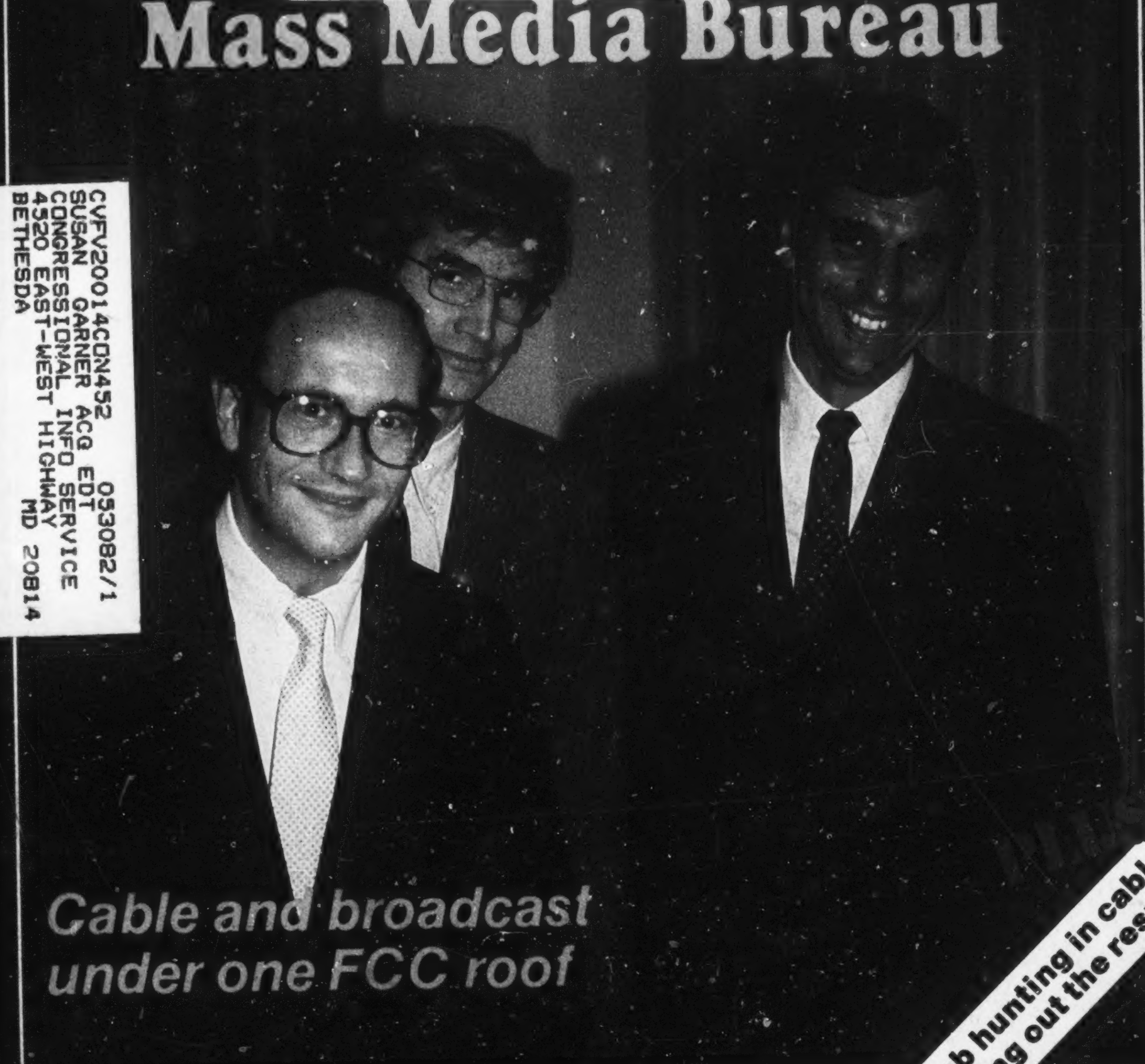

Cable and broadcast under one FCC roof

Job hunting in cable: Sorting out the resumés

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NFL
OWNERS
PLAYERS
T
ALL STARS

Full blitz

The NFL has filed legal action against the NFL Players Association and Turner Broadcasting System in an attempt to block the Players All-star Season. **Leading the week, pages 13-20.**

Summit talks

Top officials of the NCTA and the National League of Cities held talks about legislative issues. The two sides agreed to exchange position papers and meet again. **Leading the week, pages 13-20.**

ESPN adjustments

ESPN, the all-sports network that is one of cable's largest programmers—but still losing money—is likely to drop its "network compensation" plan and is considering instituting a per-subscriber charge. Executives also are talking about turning the service into a pay vehicle. **Leading the week, pages 13-20.**

Oak entry delayed

Oak Industries announced it has delayed plans for a direct broadcast satellite network because of financial and technological difficulties. **Leading the week, pages 13-20.**

'Cable in Context'

The first annual Women In Cable conference found members of the University of Pennsylvania faculty at odds with executives from the cable industry over the effect of new technology. **Leading the week, pages 13-20.**

Addressable contract

Tele-Communications Inc., with the help of Home Box Office, has signed what is believed to be largest addressable equipment deal in cable history with Jerrold. **Leading the week, pages 13-20.**

CEN unleashed

Campus Entertainment Network will live its "pipe dream" this month when it launches its first effort Oct. 30, with the second presentation scheduled for Nov. 5. **Page 25.**

Finding gold

In cable marketing, the nature of television households can and does reveal potential gold mines to the resourceful cable executive. **Page 41.**

ESPN push

ESPN has launched a nearly $3 million fourth quarter consumer advertising campaign displaying the theme "Where the Cheering Never Stops." **Page 50.**

Special report

CableVision took a close look at the supplier/distributor side of the industry and found mostly happy executives. Despite the hard economics reflected in today's society, those firms are enjoying continued growth. **Page 75.**

Tax changes

Roger Baer has provided *CableVision* with a comprehensive report on the recent major tax changes and how those changes affect individual taxpayers. **Page 85.**

Palo Alto direction

Federal deregulation possibilities have spurred city officials here to lean toward owning its cable system. **Page 89.**

Standby power

One of the most important elements in cable system equipment is the standby power supply. *CableVision* offers a special report on the topic that too many times is overlooked. **Page 93.**

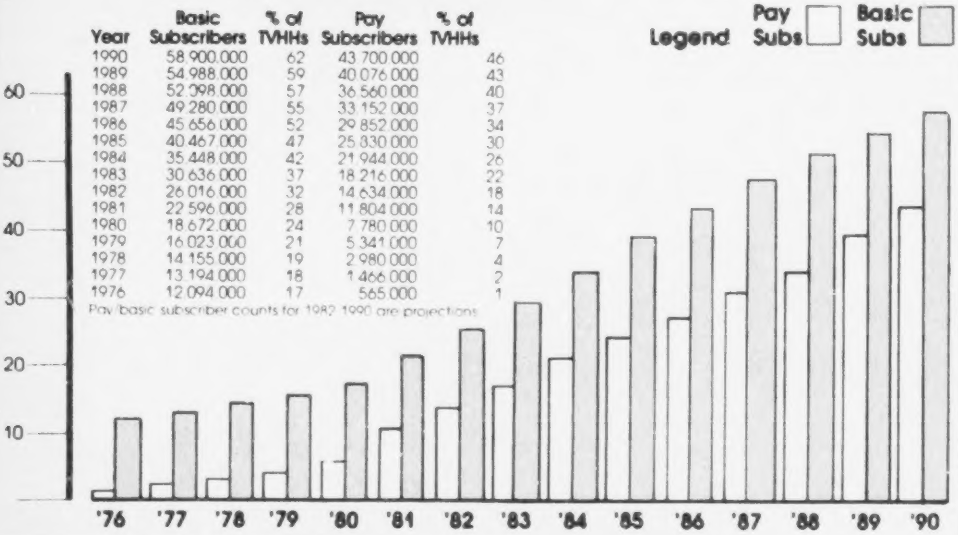
About the cover

Associate Editor Craig Leddy took this week's cover photograph of the Mass Media Bureau's Jeff Baumann, deputy chief; Bill Johnson, deputy chief; and Larry Harris, bureau chief. Story on **page 91**.

This week in PLUS

Jean Grillo takes a look inside the heads of the cable industry headhunters to find out who is qualified for a top job in cable today. The consensus? Someone who held an elected office, maybe ran an airline or fast-food franchise and sold dishwashing detergent or soda pop. It doesn't hurt to have a few gray hairs, either. You don't even have to know what the heck cable is. Trygve Myhren, who came to ATC from *Psychology Today*, didn't... Also inside is a report on the state-of-the-art in scrambling satellite signals—the ultimate piracy deterrent... Los Angeles Bureau Chief Eric Taub defines high-definition TV and how it may shape TV viewing in the future. **Pages 51-74.**

Pay/basic cable growth



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Figures are as of May 31, 1982

Franchising calendar

This chart examines the franchise status of communities during the third quarter of 1982. "Pending" refers to communities that are in the franchising process but have yet to make an award.

Alabama
Tarrant City—renewed franchise award to Alabama Cable TV (which was recently purchased by ATC) 8/82

California
Beaumont—award to Field Cablevision 8/82 (3,200 homes)
Bellflower—award not expected until December
Davis—Davis Cable Cooperative to submit proposal by 10/29/82
East San Fernando Valley—DOT recommended top-ranked Valley Cable; award expected 1/83
East Yolo—developing RFP, expect to issue by 12/82
El Monte—final agreement signed with Group W 9/14/82
Hacienda Heights, West Whittier, Bassett, Valinda, Whitter Narrows—award to United Cable Television Corp
Hawaiian Gardens—franchise refused to Cable West; schedule for new bid proposals indefinite
Hawthorne-awarded to Group W
Harbor City, Wilmington, San Pedro—award to Colony/Harbor Cablevision (27,000 homes)
Lakewood—Tribune Co. selected by city council, final award expected by 11/82 (26,000 homes)
Lomita—recommendation expected 11/82
Los Alamitos—awarded to California Cable Systems 5/10/82
Los Altos—feasibility study under way; report due 11/82
Los Angeles, South Central Region—pending
Palo Alto—city council voted to allow private companies to bid on franchise; RFP expected 11/82 (22,000 homes)
Pico Rivera—California Cablevision contesting referendum denying them franchise
Sacramento—award to United-Tribune Cable 9/27/82 (306,000 homes)
San Buenaventura—beginning to study feasibility
San Fernando—city council selected Valley Cable to negotiate franchise 6/21/82
Signal Hill—franchise transferred to Long Beach Cablevision Co. (Times Mirror/Knight-Ridder)
South Mourovia—two bidders: Group W, Falcon Cable (5,000 homes)
South Whittier—award expected 10/82 (1,700 homes)
Sunnyvale—city council opened bidding for refranchising to all interested companies; franchise currently held by Sunnyvale Cable TV
Tulare—award to Scripps-Howard (80%) and Mickelson Media (20%)

Colorado
Denver—award to Mile Hi Cablevision
Greenwood Village—Mountain States Video selected in public referendum 7/13/82 (1,600 homes)
Northglenn—American Television and Communications sole bidder 9/82
Platteville—three applicants, award expected 11/82
Wheat Ridge—voters approved franchise award to ATC 6/23

Connecticut
Windham, Lebanon, Scotland, et al (cable area 13)—applications being submitted to PUC
Vernon Consortium (cable area 12)—award awaits decision by PUC

District of Columbia
District council approved cable bills; RFP to be released spring 1983

Florida
Pinellas County—award to Vision Cable of Pinellas Inc. (10,000 homes)
Plantation—award to Planned Cable Systems Co. for western area of city
Tampa—Tribune Cable Co. recommended; decision expected 10/82 (114,000 homes)

Illinois
Addison, West Chicago, Winfield, Warrenville, Aurora (unic. DuPage County Areas)—county negotiating with Centel
Alsip—nonexclusive franchise awarded to Multimedia Cablevision Inc. 9/82
Bensenville—final negotiations with Continental in progress
Chicago—Continental Cablevision, Cablevision Systems, Group W Cable, TCI/Cross Country, Satellite Cable Communications, Communications and Cable submitted bids for the five franchise areas
Countryside—negotiating with Cablevision of Chicago
Downer's Grove, Darien, Woodridge, Lisle (unic. DuPage County areas)—county negotiating with Cablevision of Chicago
Elmwood Park—pending, no award date set
Glen Ellyn (unic. DuPage County areas)—county negotiating with Group W Cable
Glenview—franchise agreement reached with Cablenet Inc.
Harwood Heights—award expected 10/82
LaGrange, LaGrange Park, Indian Head Park, Riverside—final negotiations with Centel in progress; agreement expected 10/82
Lincolnwood—final negotiations under way with Cablevision of Chicago
Lombard, Oakbrook Terrace, Elmhurst (unic. DuPage County areas)—county negotiating with Continental
Morton Grove—award to Continental Cablevision
Naperville—two proposals under consideration; final draft proposals due 11/19/82, award expected 12/16/82
Northbrook—negotiating with Cablenet Inc.
Richton Park—award to Centel, 3,500 homes
Riverdale—village board awarded Continental a 15-year franchise
South Holland—RFP issued, proposals due 10/22/82
Wentzville—surveying residents' interest in cable
Westmont—advisory committee recommendation due 10/14/82; three finalists: Centel, Continental Cablevision and Multimedia. Award expected 11/11/82
Winnetka—considering municipally operated system
Wood Dale, Itasca, Bloomingdale, Rosell, Carol Stream (unic. DuPage County areas)—consortium gave final approval of franchise agreement with MetroVision 8/2/82 (27,000 homes); ratification by individual boards expected 10/82

Indiana
Elmora—award to Quality CATV
Gaston—award to Quality CATV
Grant County—award to Quality CATV
Hebron—drafted new ordinance; five applicants
Indianapolis—recommendations to city/county council expected by 10/82 on whether additional franchises should be awarded to compete with two existing systems
Lyons—award to Quality CATV
Munster—negotiations under way with US Cable; agreement expected by 12/82
Roachdale—award to Quality CATV

Maryland
Baltimore—RFP issued 7/21/82, proposals due 11/17/82; tentative award date 2/9/82
Montgomery County—award expected 10/15/82; three top applicants are Montgomery Cable Communications-Times Mirror, Tribune-United and Viacom

Massachusetts
Abington—pending
Acton—awarded to Adams-Russell 9/82 (6,400 homes)
Ayer—pending
Bedford—award to Adams-Russell (3,813 homes)
Bourne—pending
Braintree—awarded to Adams-Russell 9/20/82 (11,700 homes)
Bridgewater—pending
Cohasset—pending
Danvers—award to Rollins Cablevision of Massachusetts
Dedham—awarded to Bay Cable Affiliates 5/82
Hingham—pending
Holbrook—pending
Holliston—pending
Hopedale—awarded to South Massachusetts Cable (Alda Group) 7/19/82
Hull—award expected 12/8/82
Lancaster—award pending
Martha's Vineyard—award to Dukes County Cable TV
Medway—awarded to Cablevision Industries 6/7/82
Merrimac—pending

Nahant—pending
Needham—awarded to Continental 7/82 (8.000 homes)
Northborough—pending
Norwell—award expected 2/83
Rockland—award expected 12/82
Scituate—awarded to American Cablesystems 9/82
Shrewsbury—award to Shrewsbury Electric Light Plant (9.000 homes)
Stoughton—pending
Walpole—pending
Waltham—pending
Wellesley—pending
Westborough—pending
West Newbury—awarded to American Cablesystems (1.000 homes)
Whitman—pending (3.500 homes)

Michigan
Detroit—RFP issued. proposals due 12/10/82: 471,000 homes
Marquette—award expected by 10/15/82
Romeo—award expected by 11/1/82

Minnesota
Afton, Cottage Grove, St Paul Park, et al (South Washington County Cable Commission)—working on RFP (6.000 homes)
Arlington, Gaylord, Winthrop, Gibbon, Green Isle—RFP issued, no bids received expect to reissue RFP by 12/82
Burnsville—drafting RFP in conjunction iwth Eagan: expect to issue 10/82
Chanhassen—assessment not yet complete (2.285 homes)
Deephaven, Excelsior, Greenwood, Sherwood, Tonka Bay, Victoria, Woodland—assessment not yet complete (5.467 homes)
Eagan—see Burnsville
Forest Lake, New Scandia, Columbia—sole bid submitted by Combined Cable decision expected by 11/82
Hastings, Marshan—preliminary approval to Hastings Cable TV (Telephone and Data Systems Inc)
Kasson—award to Group W
Marshan—preliminary approval to Hastings Cable TV
Minneapolis—Rogers/Storer arrangement approved and in final negotiations
Minnetrista, Spring Park, St Bonifacius—working on needs assessment
Mound—issued RFP 8/30/83 (3.600 homes)
Northfield City and Township—awarded to Zylstra/United (50/50), awaiting city council action
Olivia—award to North America Communications Corp
Owatonna—pending
Princeton, Rush City, Mora, Milaca, Cambridge, Braham, North Branch, Branch, Pine City, Isanti, Townships: Pine City, Chengwatana, Milaca, Bradford, Spencer Brook, Pokegama, Isanti, Arthur (East Central Cable Commission)—negotiating with Combined Cable (sole bidder), decision expected 11/82
Prior Lake—RFP issued 9/13/82, proposals due 11/29/82
Ramsey/Washington County—Group W Cable was sole bidder 7/82
St Paul—RFP expected 11/82
Savage—assessment not yet complete (1.272 homes)
Shakopee—awarded to Zylstra/United (50/50) 9/10/82
Stillwater, Bayport, Oak Park Heights (Central St Croix Valley area)—issued RFP, proposals due 12/82
Wayzata—issued RFP, 1.800 homes
West St Paul (North Dakota County Cable Service Territory)—preparing RFP (31.000 homes)
Windom—beginning to study feasibility (1.600 homes)

Missouri
Arnold—US Cable franchise agreement pending, city considering non-exclusive franchises
Herculaneum—award to U.S. Cable
Pevely—award to U.S. Cable
St Louis—Melbar Corp (owned 80% by TCI) recommended to board of alderman for final approval 8/12/82
Vandalia—city reviewing proposals, award date indefinate

New Hampshire
Hampstead—tentative award to Commonwealth Cable: negotiations being finalized
Kingston—six proposals submitted, award expected 11/3/82
Londonderry—awarded to Harron Communications 8/82
Plaistow—award expected 10/18/82

New Jersey
Jersey City—new RFP to be issued pending lifting of court-ordered stay
Paterson—PUC decision expected by 10/31/82
Princeton—franchise award to Home Link (Dow Jones) approved by PUC 9/82
Upper Deerfield, Cumberland City—three applications received: Clover Cable Television, Cumberland County Cable and Group W/Cablentertainment. Award expected 10/28/82

New York
Harrison—award to Adams-Russell
New York City—borough negotiations still in progress
Union Springs, Aurora, Aurelius, Cayuga County, Ledyard, Springport—award to Cablevision Industries

North Carolina
Bethel, Robersonville—accepting bids, award expected 11/82
Davie County—portion of county awarded to Summit Cable Inc. 6/82: two proposals submitted for remaining portion of county, award expected 12/82

Ohio
Bentleyville—award to Matrix Enterprises Inc
Brecksville—city council awarded franchise to Complexicable (126 homes)
Brooklyn—municipal ownership under consideration, no timetable set for decision
Cleveland—pending
Garfield Heights—RFP to be issued by 11/82 (12.000 homes)
Middleburg Heights—process halted pending settlement of legal challenges and lifting of court-ordered stay
Moreland Hills—award to Viacom
Newtown—award to Warner Amex 6/82
Whitehouse—award to Community Cable TV Inc

Oregon
McMinnville—negotiating with Liberty Communications Inc.: award expected by 11/1/82
Milwaukie—pending
Sylvan, West Hills, Dunthrope—task force formed to prepare RFP, review bids, recommendations expected by 2/1/83

Pennsylvania
Philadelphia—RFP issued, proposals due 12/22/82 (135.000 homes in each of four franchise areas)

Rhode Island
Newport, Middletown, Portsmouth, Tiverton, Little Compton (Area 7)—all action suspended due to pending lawsuit

Texas
Azle—pending
Plano—RFP issued, proposals due 10/15/82
Richardson—proposals due 10/18/82

Virginia
Dinwiddie County—RFP issued, no proposals received
Fairfax County—award to Media General Inc. 7/25/82 (200.000 homes)
Goochland County—sole proposal rejected, no new proposals received
York County—award to Continental Cablevision

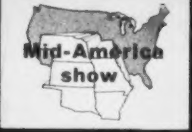
Washington
Granger, Toppenish, Wapato, Zillah—reviewing proposal of McCaw Communications, award expected by 10/15/82
Seattle, Central district—committee voted 5-0 to recommend Seattle Community Cablevision to full council, award expected 10/11/82

Wisconsin
Hales Corner—city board approved ownership transfer (50%) from ATC to Viacom 8/10/82
Kenosha—two applications received: U.S. Cable and Total TV. Award expected 12/82
Milwaukee—final franchise agreement with Warner Amex under negotiation

Franchising in the top 50 markets

Rank	Market	Status of core city
1	New York	Manhattan-OP: four unwired boroughs-FP
2	Los Angeles	City is divided into 14 areas (A-N): 10-OP, 2-FG, 2-FP
3	Chicago	City is divided into five areas, FP
4	Philadelphia	City is divided into N.S.E.W. S-OP, other three FP
5	San Francisco	OP (system to be upgraded)
6	Boston	FG
7	Detroit	BP
8	Washington, D.C.	LNA
9	Cleveland	BP
10.	Dallas/Ft. Worth	Two systems-OP
11.	Pittsburgh	OP
12.	Houston	OP
13.	Minneapolis/ St. Paul	FG/BP
14.	St. Louis	FP
15.	Seattle/Tacoma	City is divided into five parts (3 OP/1 FP/1 BP), Tacoma-OP
16.	Atlanta	OP
17.	Miami	FG
18.	Tampa/ St. Petersburg	FP/OP
19.	Baltimore	BP
20.	Denver	FG
21.	Indianapolis	Two systems-OP
22.	Sacramento/ Stockton	FG/OP
23.	San Diego	OP
24.	Portland	Three systems-OP
25.	Kansas City	OP
26.	Hartford/ New Haven	Two systems-OP
27.	Cincinnati	OP
28.	Milwaukee	FG
29	Buffalo	OP
30	Nashville	OP
31	Phoenix	OP
32	Columbus	Four systems-OP
33	Providence/ New Bedford	LNA/OP
34	Memphis	OP
35	Charlotte	OP
36	New Orleans	OP
37	Greenville/Asheville/Spartar sburg	Three systems-OP
38	Grand Rapids/Kalamazoo/Battle Creek	Three systems-OP
39	Oklahoma City	OP
40	Orlando/ Daytona Beach	Two systems-OP
41	Raleigh/Durham	Two systems-OP
42	Louisville	Two systems-OP
43.	Charleston/ Huntington	Two systems-OP
44	Birmingham	OP
45	Salt Lake City	OP
46.	Harrisburg/York/ Lebanon/Lancaster	Four systems-OP
47.	Norfolk/Newport News/New Hampton/Portsmouth	Four systems-OP
48.	Wilkes Barre/ Scranton	Two systems-OP
49.	Albany/Schenectady/Troy	Three systems-OP
50.	Dayton	OP

Legend
OP—operational.
FG—franchise granted.
FP—franchise pending.
BP—beginning process.
LNA—little or no action.



- Industry representatives set sights on Tulsa
- AFL-CIO production unit has eyes for cable
- 'Newsday' to splash on TV with 24-hour channel
- Associations organize efforts to stop thefts

CableVision

The news and features weekly of the cable television industry October 25, 1982 $3.00

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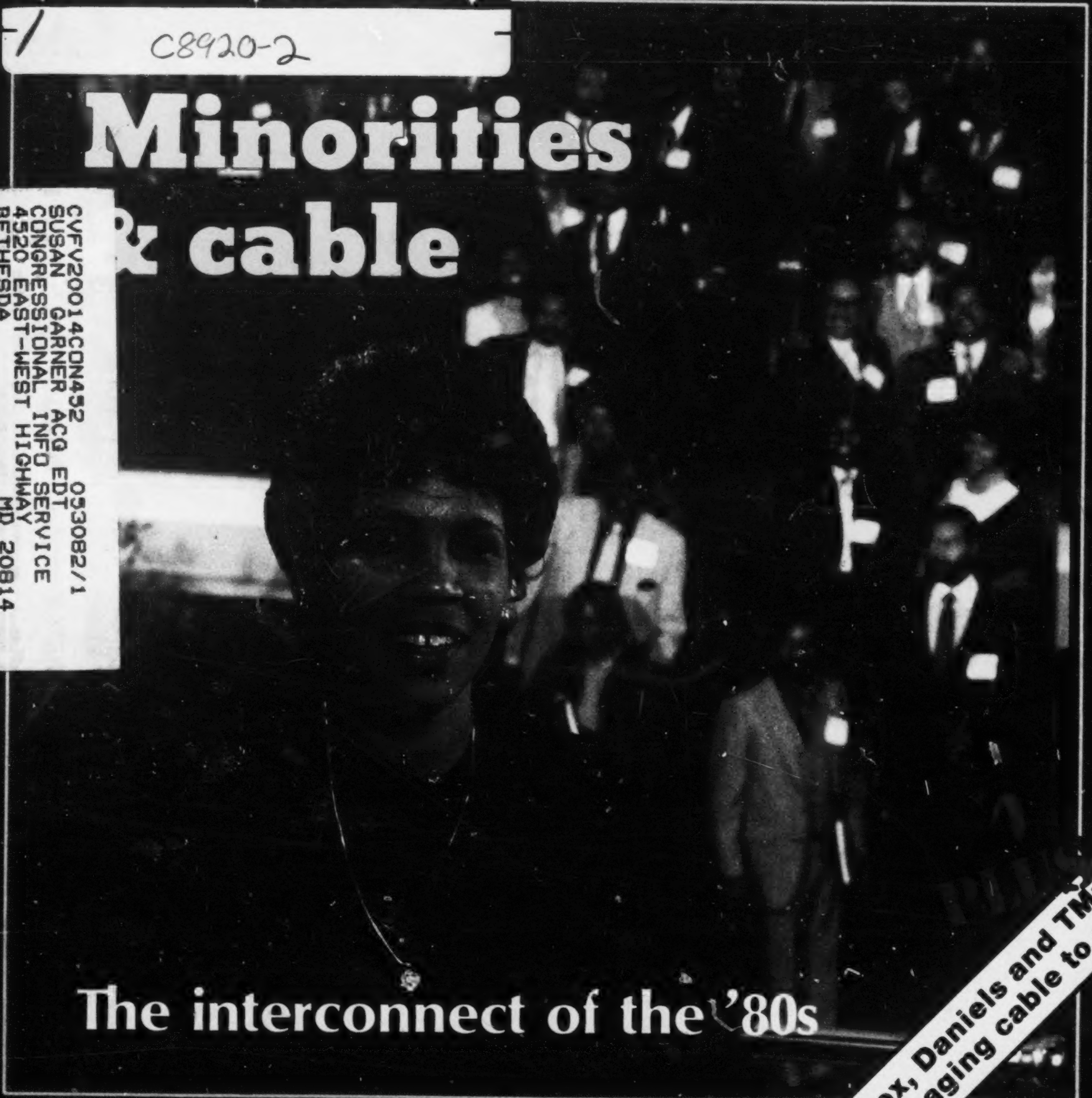

Minorities & cable

The interconnect of the '80s

Cox, Daniels and TM: Packaging cable to sell

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SDAY
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Guide: Home

Julie Raynor

'Newsday' splash

Newsday, the nation's largest evening newspaper, enters the cable business with a 24-hour channel to debut this spring on the Cablevision of Long Island system. **Leading the week, pages 13-18.**

Minority connection

The NCTA sponsored a two-day seminar in Washington to help minorities find ways to market, finance and manage cable enterprises. **Leading the week, pages 13-18.**

Laborvision

The AFL-CIO launched its new program production unit, the Labor Institute of Public Affairs. The organization has bought time on cable systems and is eyeing cable markets for future programming. **Leading the week, pages 13-18.**

Warner prognostications

Where is Warner Communications going? Howard Anderson of the Yankee Group prognosticated about Warner's future during a New York seminar and found more than Pac-Man in the company's prospects. **Leading the week, pages 13-18.**

Beaming up

United Video has moved into its new home in Tulsa, Okla., and adopted a new strategy for the future. Included in that change are some possible joint ventures with WGN. **Leading the week, pages 13-18.**

Laughter bent

Home Box Office, Showtime and The Entertainment Channel are planning original comedy series as part of the new upcoming season. Each service has taken a different direction to carve out an individual niche. **Page 21.**

Gala expansion

When GalaVision enters its third year Nov. 1, the amount of first-run programs will be increased, which represents a change in plans for SIN Television Network's pay channel. **Page 22.**

UTV sales pitch

Is the second generation of advertiser-supported cable services about to be born? The creators of UTV "talk back" television hope it is. **Page 28.**

Stop - thief

Theft of cable equipment is a growing problem nationwide and has spurred several trade associations to take organized action to stem the tide. **Page 57.**

Educational process

Converting society from the old to the new electronic communications era was the focal point of a far-reaching discussion by cable leaders before a group of Harvard University faculty members. **Page 57.**

Mid-America show

Some 700 cable representatives are expected to turn out for the 25th annual Mid-America meeting and show in Tulsa, Okla., Oct. 19-21 at the Excelsior Hotel. **Page 65.**

About the cover

Washington-based freelance photographer Budd Gray took this week's cover shot of Sylvia Marshall, director of Human Resources for the NCTA, and many of the participants in the recent Minorities and Cable Symposium.

This week in PLUS

There's something more appealing about good things when they are wrapped up in a package, especially if it costs more to buy the items inside separately. Several MSOs are betting that classic ploy applies to selling cable. They have started a trend that is blurring the distinctions between basic and pay and are rewriting the cable menu. *CableVision*'s Jeri Baker examines the phenomenon in detail. . . How do you publish a program guide that not only sells, informs and educates, but doesn't cost a fortune? That's the operators' dilemma. David Stoller reports on the state of the art in guide publishing and what some MSOs are doing to sort out the options. **Pages 31-54.**

Profile: 1982

	Arkansas	Kansas	Missouri	Nebraska	Oklahoma	Total
Number of systems	153	164	140	96	213	766
Number of communities served	245	226	241	121	272	1,105
Basic subscribers	308,287	391,121	361,504	179,464	483,217	1,729,182
Pay units	144,365	206,398	220,875	110,845	353,631	1,036,114
Homes passed	475,769	629,058	540,515	302,063	1,142,983	3,090,388
Plant miles	7,392	6,764	7,015	3,180	12,186	36,537
Basic/HP	64.8%	62.2%	66.9%	59.4%	42.3%	55.9%
Pay/basic	46.8%	52.8%	61.1%	61.8%	73.2%	59.9%
Subs per mile	41.7	57.8	51.5	56.4	39.9	50.1
Homes per mile	64.4	93.0	77.1	94.6	93.8	84.3

Regional focus: Mid-America

The "heartland" states that compose the geographic center of the United States do not possess the large population bases or the high density areas common to the coastal regions of the nation. However, when it comes to cable, the area is equal to, or not far behind, its regional counterparts.

Arkansas, Kansas, Missouri, Nebraska and Oklahoma are the representative states of the Mid-America region. Major population centers tend to be hundreds of miles apart with small and medium-sized communities scattered around and between the metropolitan areas. Those large expanses of distance are made for cable in terms of receiving any television reception. Rural areas typically have high penetration levels that are offset by lower levels found in the newly cabled metropolitan areas. Most major cities are cabled, unlike other sections of the nation.

Basic penetration ranges from 42-67 percent for an average of 56 percent. That figure is below the national average of 59.1 percent, but represents the same percentage found in the Southern region. Pay penetration figures show a 47-73 percent range for a 60 percent average. That figure is above the national average.

Arkansas, Kansas and Missouri are very similar in profile regarding the number of systems, total subscribers and other categories. Nebraska has the fewest systems and the lowest subscriber total. However, Nebraska has the best overall penetration rate. Oklahoma has the most systems and represents the highest pay penetration figure. Its basic penetration rate, however, is the lowest in the five-state area.

Arkansas

Computer Utilities of the Ozarks Inc.
P.O. Box 1062
Harrison, Ark. 72601
(501) 743-1616

Davco Electronics
P.O. Box 2456
Batesville, Ark. 72501
(516) 793-3816

H&R Communications Inc.
Route 3, Box 103G
Pacahontes, Ark. 72405
(501) 647-2291

McCullough Satellite Systems Inc.
Route 5, Box 97
Salem, Ark. 72576
(501) 895-3167

Mid-America Video Corp.
P.O. Box 511
North Little Rock, Ark. 72115
(800) 643-5514

Music Box Co.
111 West Sixth St.
P.O. Box 182
Hope, Ark. 71801
(501) 777-1111

Vidiark Electronics Development Co.
P.O. Box 57
Salem, Ark. 72576
(501) 895-3167

WEHCO Video Inc.
P.O. Box 2221
Little Rock, Ark. 72203
(501) 378-3464

Kansas

BEI (Beston Electronics Inc.)
Box 106-A
Olathe, Kan. 66061
(913) 764-1900

Communications Service Inc.
140 W. 8th St.
Junction City, Kan. 66441
(913) 762-2570

Krob Trenching Service
Box 509
Stockton, Kan. 67669
(913) 425-7128

Mycro-Tek
820 W. Second St.
Wichita, Kan. 67203
(800) 835-5022

North Supply Co.
10951 Lakeview Ave.
Shawnee Mission, Kan. 66219
(800) 255-6458

Stelco Inc.
5500 Kansas Ave.
Kansas City, Kan. 66106
(913) 287-1500

Taikan Co. Inc.
P.O. Box 3327
Lawrence, Kan. 66044
(913) 841-5538

Missouri

A.B. Chance Co.
210 N. Allen St.
Centralia, Mo. 65240
(314) 682-5521

Antenna Development and Management Co.
P.O. Box 1178
Poplar Bluff, Mo. 63901
(314) 785-5988

Cable Card Club Inc.
13605 S. 71 Hwy.
Grandview, Mo. 64030
(800) 821-3024

Cable Films
Country Club Station
Country Club Village, Mo. 64113
(913) 362-8375

Cencom Cable Associates Inc.
14500 S. Outer 40 Rd.
Suite 210
Chesterfield, Mo. 63017
(314) 576-4446

Cybertech Inc.
3100 Broadway
Suite 111
Kansas City, Mo. 64111
(816) 561-1800

Grasis Corp.
P.O. Box 1039
Kansas City, Mo. 64141
(816) 483-1100

Graybar Electric Co. Inc.
34 North Meramec
P.O. Box 7231
Clayton, Mo. 63177
(800) 323-0734

Great Plains Inc.
P.O. Box 32
Lamar, Mo. 64759
(417) 682-3536

Lemco Engineers Inc.
11933 Westline Industrial Dr.
St. Louis, Mo. 63141
(314) 576-5950

Lenco Inc. Electronic Division
300 N. Maryland St.
Jackson, Mo. 63755
(314) 243-3147

McCabe-Powers Body Co.
8900 Frost Ave.
Berkeley, Mo. 63134
(314) 524-8000

Ogden, Curt Equipment Co. Inc.
500 S. Highway Dr.
Fenton, Mo. 63026
(314) 343-5000

Rycom Instruments Inc.
9351 E. 59th St.
Kansas City, Mo. 64133
(816) 353-2100

Starpath Inc.
Route 1, Box 188
Fisk, Mo. 63940
(314) 967-3291

Telcom Engineering Inc.
18040 Edison Ave.
Chesterfield, Mo. 63017
(314) 532-3535

Telex CATV Engineering Inc.
10616 Saint Xavier St.
Saint Ann, Mo. 63074
(314) 423-4863

Turner Cable Construction Co.
P.O. Box 576
Salem, Mo. 65560
(314) 729-3119

Turner Manufacturing
P.O. Box 576
Salem, Mo. 65560
(314) 729-3119

Uni Watch
712 Westport Rd.
Kansas City, Mo. 64111
(800) 821-6595

Videodisc Broadcasting Co.
13605 S. 71 Hwy.
Grandview, Mo. 64030
(816) 765-9500

Nebraska

Auburn Consolidated Industries Inc.
P.O. Box 350
Auburn, Neb. 68305
(402) 274-4911

Avtek Inc.
1001 12th
Aurora, Neb. 68818
(402) 694-5201

Computel Inc.
1765 Washington
Blair, Neb. 68008
(402) 426-9511

Interstate Line Contractors
P.O. Box 454
Nebraska City, Neb. 68410
(402) 873-9188

McMartin Industries Inc.
4500 S. 76th St.
Ralston, Neb. 68127
(402) 331-2000

McShane, James E., Attorney-at-Law
2436 Fontenelle Blvd.
Omaha, Neb. 68104
(402) 553-0957

Oklahoma

Automation Techniques Inc.
1846 N. 106 E. Ave.
Tulsa, Okla. 74116
(918) 836-2584

B-W Lighting Systems
710 East 46th St.
P.O. Box 45162
Tulsa, Okla. 74148
(918) 664-1111

Budco Inc.
4910 East Admiral Pl.
Tulsa, Okla. 74115
(918) 836-3111

Cabletext
8252 S. Harvard
Tulsa, Okla. 74136
(918) 481-0881

Community Antenna Television Journal
4209 N.W. 23rd
Suite 106
Oklahoma City, Okla. 73107
(405) 947-7664

Delcom Corp.
6019 S. 66th E. Ave.
Tulsa, Okla. 74145
(918) 494-9500

Ditch Witch
P.O. Box 66
Perry, Okla. 73077
(405) 336-4402

Electronic Program Guide
3801 S. Sheridan Rd.
Tulsa, Okla. 74145
(800) 331-4806

First National Bank of McAlester
P.O. Box 948
McAlester, Okla. 74501
(918) 426-0211

K&B Contractors
1888 E. 15th
Tulsa, Okla. 74104
(918) 744-0844

Lifestyle
3801 S. Sheridan Rd.
Tulsa, Okla. 74145
(800) 334-1561

Milner, George, Inc.
3601 Mistletoe Dr.
Ponca City, Okla. 74601
(405) 765-4011

R&V Video
3120 S. 108th E. Ave.
Tulsa, Okla. 74145
(918) 664-0800

Satellite Program Network Inc.
8252 S. Harvard
Tulsa, Okla. 74136
(918) 481-0881

Satellite Syndicated Systems Inc.
P.O. Box 45684-
Tulsa, Okla. 74145
(918) 481-0881

Southern Satellite Systems Inc.
8252 S. Harvard
Tulsa, Okla. 74136
(918) 481-0881

UEC Manufacturing Co.
121 N.E. 52nd St.
P.O. Box 54979
Oklahoma City, Okla. 73154
(405) 528-3446

United States Tower Co.
P.O. Box 1438
Miami, Okla. 74354
(918) 540-1574

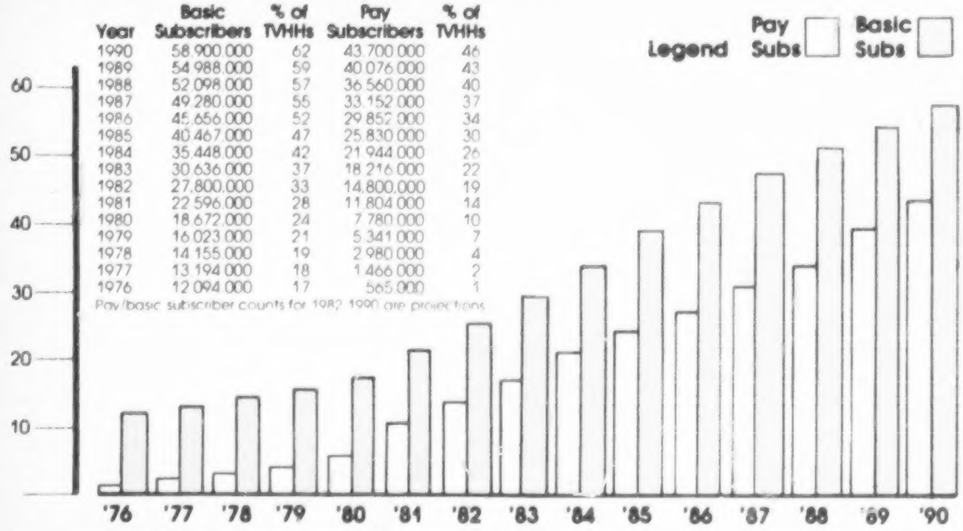
United Video Inc.
5200 S. Harvard
Suite 215
Tulsa, Okla. 74135
(800) 331-4806

Utility Tower Co.
3200 N.W. 38th
P.O. Box 12369
Oklahoma City, Okla. 73157
(405) 946-5551

Video Communications Inc.
6555 E. Skelly Dr.
Tulsa, Okla. 74145
(809) 331-4077

WFMT
3801 S. Sheridan Blvd.
Tulsa, Okla. 74145
(800) 331-4806

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	27,800,000	33	14,800,000	19
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pay/basic subscriber counts for 1982 1990 are projections

Cable barometer

Television households (TVHH)	82,100,000
Homes passed by cable (HP)	44,732,230
Percent of TVHH passed by cable	54.5%
Basic cable subscribers	26,421,666
Percent of TVHH with basic cable	32.2%
Percent of HP with basic cable	59.1%
Pay cable units	14,026,919
Percent of TVHH with pay cable	17.1%
Percent of HP with pay cable	31.4%
Percent of basic subs with pay cable	53.1%

Figures are as of August 1982

Satellite lineup

Satcom III-R (RCA Americom)	**Transponder**
Warner Amex (Nickelodeon/ARTS)	1
PTL Satelliten Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, Cabletext, Reuters News View, North American Newstime/The Travel Channel, Dow Jones Cable News)	6
ESPN	7
CBN Cable Network	8
USA Network	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Showtime, (Cable Health Network)	17
Reuters, Eternal Word Television Network (8 p.m.-12 a.m.)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark/The Weather Channel	21
HBO/Modern Satellite Network, leased for Daytime	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)	**Transponder**
ESPN (Bravo)	6
National Christian Network (Escapade)	7
RCTV/The Entertainment Channel	8
Warner Amex	11
Showtime (subleased to Compact Video)	15
Trinity	17
HBO	18
American Network	19

Satcom V—Projected launch mid-1983
Satcom I-R—Projected launch September 1983
Satcom II-R—Projected launch September 1983

Westar IV (Western Union)	**Transponder**
CBS Cable	3D
Wold Communications	5D
Wold Communications (Financial News Network, SelecTV)	5X
SIN	8X
Wold Communications—pay service TBA	9X
Wold Communications (EROS)	10D
SPN	11X
GalaVision	12X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat, and Equatorial will have transponders on Westar IV.

Westar V (Western Union)	**Transponder**
Hughes TV	1D
CBS/Fox	1X
WOR (subleased from Westinghouse by Rbt. Wold Co)	2D
Dow Jones/UTV Cable Network	2X
Citicorp	3D
Dow Jones	3X
CBS Cable	4D
Satellite News Channel I	4X
American Satellite Co. (AmSat)/TCI	5D
AmSat	5X
Satellite News Channel I	6D
AmSat	6X
AmSat/DCM	7D
Satellite News Channel I	7X
Satellite News Channel II	8D
Satellite News Channel I and II (incoming)	8X
Nashville Network	9D
Satellite News Channel I	9X
Citicorp	10D
American Medical Buildings	10X
Group W Satellite Corp. (east)	11D
Digital Communications Corp.	11X
Group W Satellite Corp. (west)	12D
TCI/BET	12X

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Braodcasting (2), Times Mirror (2), Viacom (2), SIN (2), C-SPAN (1)
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz.
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3) Pop Network (3) SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1) and NBC (1).
Spacenet II—Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz
Spacenet III—presently being built.

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs	
1	Tele-Communications Inc[1]	2,200,000	
2	American Television and Communications	1,949,525	(6/82)
3	Group W Cable	1,759,921	
4	Cox Cable Communications	1,227,543	(9/82)
5	Storer Cable Communications	1,063,041	
6	Warner Amex Cable Communications	1,000,000	
7	Times Mirror	715,754	(7/82)
8	Rogers-UA Cablesystems	650,465	
9	Newhouse Broadcasting[2]	646,277	
10	Viacom Cablevision[3]	543,098	(7/82)
11	Continental Cablevision	532,000	
12	United Cable Television Corp	504,324	
13	Sammons Communications	502,152	(9/82)
14	TeleCable Corp	354,500	
15	Capital Cities Cable	308,358	
16	General Electric Cable	300,000	
17	Heritage Communications	254,761	
18	Comcast Corp	249,834	(7/82)
19	Cablevision Systems Development	242,000	
20	Liberty Communications	233,000	(6/82)
21	Wometco Communications	215,818	
22	Tele-Media Corp	207,800	
23	TCA Group	206,500	
24	Service Electric Cable TV	189,500	
25	Multimedia Cablevision[4]	184,898	(9/82)
26	Jones Intercable	178,695	(9/82)
27	Daniels & Associates	178,100	
28	Maclean Hunter	173,037	
29	Century Communications	170,000	
30	Colony Communications	158,260	(7/82)
31	Western Communications	148,500	
32	Prime Cable	145,000	(9/82)
33	Centel Cable Television	137,438	
34	Harris Cable Corp	122,500	
35	Tribune Company Cable	117,000	
36	Rollins Cable Vue	115,000	
37	Midwest Video	114,615	(12/81)
38	Communications Service Inc	110,000	(8/81)
39	Harron Communications	102,341	
40	McCaw Communications	101,855	
41	Cable Vision Industries	95,645	
42	Buckeye Cablevision	91,730	
43	Communications Systems Inc	90,741	(9/82)
44	Sutton Capital Group[5]	90,008	
45	Midcontinent Cable Systems[6]	87,144	
46	Armstrong Utilities	85,966	
47	Adams-Russell	80,117	
48	McDonald Group	79,444	
49	Southmedia	78,668	(9/82)
50	Cablentertainment	78,582	
51	Omni Cable TV	78,099	
52	Buford Television	76,653	
53	Multi-Channel TV Cable Co	75,400	
54	Televents	73,532	
55	King Videocable Co	72,859	
56	Cable America	72,200	
57	Alda Group	71,446	
58	Palmer Communications	71,103	
59	The Essex Group	70,298	
60	Summit Communications	67,245	(9/82)
61	Perry Cable TV Corp	64,429	
62	WEHCO Video	62,354	
63	National Telecommunications Co	62,125	(9/82)
64	American Cablesystems Corp	60,799	
65	Omega Communications	60,000	
66	Coaxial Communications	60,000	
67	Ultracom Inc	59,189	(10/82)
68	Adelphia Communications	58,099	
69	Booth Communications	56,112	
70	US Cable Corp	55,273	
71	Pencor Services Inc	55,102	
72	Acton Corp	53,000	
73	Harte-Hanks Communications	53,000	(6/82)
74	Consolidated Cable Systems	51,900	
75	Total TV Inc	48,188	
76	Marsh Media	48,000	
77	Clear TV Cable Corp	46,065	
78	The Daily Press	45,000	
79	Sonic Cable TV	43,995	
80	Falcon Communications	43,000	
81	Lenfest Group	42,552	
82	Greater Media	41,218	
83	Susquehanna Broadcasting	40,500	
84	NorCal Cablevision (McClatchy-Viacom)	40,483	
85	Selkirk Communications	39,380	(10/82)
86	Joseph S. Gans	33,300	(3/82)
87	Cable Holdings Inc	30,000	
88	Columbia Communications	28,586	
89	Hellicon Corp	28,200	
90	United Video Management	28,000	
91	The LBJ Co	26,717	
92	American Cable Television Inc (Phoenix Ariz)	26,585	
93	Cable Communications of Iowa	26,483	
94	National CableSystems Inc	25,600	
95	United Broadcasting	25,440	
96	Mid America Media	25,364	
97	Matrix Enterprises	25,251	
99	Combined Cable Communications	25,072	
99	MultiVision Group	24,694	
100	Mickelson Medic	24,385	

[1] Number is a company estimate: the last official subscriber count is as of 12/81

[2] Includes MetroVision, NewChannels, Vision Cable

[3] Includes 40% ownership in NorCal Cablevision

[4] Includes Tar River Communications

[5] Includes systems owned and with controlling interest

[6] Includes owned and partially owned systems

Top 100 systems

Rank	Location	Operator	Basic Subs	
1	San Diego Calif	Cox Cable	218,902	(6/82)
2	Manhattan N Y	ATC	159,225	(6/82)
3	Oyster Bay (Long Island) N Y	Cablevision Systems	164,978	
4	West Orange N J	Maclean Hunter	140,457	
5	Santa Monica (L A area) Calif	Group W Cable	112,608	
6	San Antonio Texas	Rogers-UA	128,255	
7	Wayne N J	Rogers-UA Cable	109,900	
8	Tulsa Okla	United Cable	101,272	
9	Audubon N J	NYT Cable	94,777	
10	Erie County N Y	Prime Cable	96,000	
11	San Jose Calif	Gill Industries	91,954	
12	Tidewater Va	Cox Cable	86,973	
13	Austin Texas	ATC	83,500	(6/82)
14	Central Islip N Y	Viacom	82,603	
15	Orlando Fla	ATC	80,450	(6/82)
16	Seattle Wash	Group W Cable	77,840	
17	Jefferson Parish/Kenner La	Cox Cable	75,991	
18	Manhattan N Y	Group W	75,000	
19	Toledo Ohio	Buckeye Cablevision	74,628	
20	Honolulu Hawaii	ATC	71,000	(6/82)
21	Grand Rapids Mich	General Electric	70,800	
22	Houston Texas	Gulf Coast Cable	70,406	
23	Wilmington Del	Rollins Cable	67,963	
24	New Britain Conn	United	65,817	
25	Memphis Tenn	ATC	65,550	(6/82)
26	Jacksonville Fla	ATC	65,100	
27	Baton Rouge La	Daniels	63,500	
28	San Francisco Calif	Viacom	62,137	(5/82)
29	San Diego Calif	ATC	61,575	(6/82)
30	Columbus Ohio	Warner Amex	60,000	
31	Flint Mich	Comcast	59,929	
32	Wichita Kan	Multimedia Cable	59,710	(6/82)
33	Baltimore County Md	Caltec Cable	59,517	
34	Santa Barbara Calif	Cox Cable	57,680	
35	Buffalo N Y	Minneapolis Star	57,629	
36	Monterey Calif	Western	57,300	
37	Henrico County/Richmond Va	Continental	56,000	(5/82)
38	Allentown Pa	Twin County	55,000	
39	Suburban Rochester N Y	People's Cable	54,841	
40	Melbourne Fla	ATC	53,925	(6/82)
41	Greater San Juan Puerto Rico	Harris Cable	53,333	
42	El Paso Texas	Group W Cable	52,319	
43	Harrisburg Pa	Sammons	52,066	
44	Snohomish County Wash	Viacom	51,444	
45	Binghamton N Y	NewChannels	51,126	
46	Louisville Ky	Times Mirror	50,412	
47	Seattle Wash	Viacom	49,647	
48	Boston Complex Mass	Warner Amex	49,200	
49	Columbus Ohio	Coaxial Comm	48,498	
50	Pompano Beach Fla	American Cable TV	48,100	
51	Englewood Colo	United Cable	47,592	
52	Canton Ohio	Warner Amex	47,200	
53	Reading Pa	ATC	47,000	(6/82)
54	Sarasota Fla	Storer Cable	46,731	
55	Shreveport La	ATC	46,500	
56	Hartford/Meriden Conn	Times Mirror	46,430	
57	Dade/Broward Counties Fla	Storer	46,206	
58	West Haven Conn	Storer	46,125	
59	Des Moines Iowa	Heritage	46,018	
60	Peoria Ill	General Electric	46,000	
61	San Rafael/Marin Calif	Vaicom	45,854	
62	San Diego County Calif	Times Mirror	45,763	
63	Charlotte N C	ATC	45,700	(6/82)
64	Akron Ohio	Warner Amex	44,400	
65	Jackson Miss	ATC	44,050	(6/82)
66	Eugene Ore	Group W Cable	43,851	
67	NW Houston Texas	Warner Amex	43,700	
68	Albany N Y	ATC	43,375	(6/82)
69	Spokane Wash	Cox Cable	42,300	
70	Scranton Pa	Verto Cable TV	41,815	
71	Birmingham Ala	ATC	41,400	(6/82)
72	Moline/Quint Cities Ill	Cox Cable	41,106	
73	Bridgeport Conn	Alda Group	41,100	
74	Bakersfield/Kern Co Calif	Warner Amex	40,116	
75	Branford Conn	Rollins Cable	40,000	
76	Lincoln Neb	MetroVision	39,868	
77	Charleston S C	Storer	39,753	
78	Brookhaven N Y	Rogers-UA Cable	39,645	(4/82)
79	Lansing Mich	Continental	39,500	
80	Port Arthur Texas	Liberty	39,314	
81	Overland Park Kan	TeleCable Corp	39,200	(5/82)
82	St Petersburg Fla	Group W Cable	38,593	
83	West Palm Beach Fla	Group W Cable	38,199	
84	Cleveland Ohio	Viacom	37,903	
85	Winston-Salem N C	Summit Commun	37,819	
86	Fayetteville N C	ATC	37,525	(6/82)
87	Springfield Ill	Times Mirror	37,303	
88	Deerfield N Y	Harron Commun	37,285	
89	Dover N J	Sammons	37,200	
90	Honolulu Hawaii	TV Systems Inc	37,000	
91	Beacon N Y	Colony Commun	36,112	
92	Cleveland Ohio	Cox Cable	35,756	
93	South Bend Ind	Buford	35,552	
94	Pensacola Fla	Cox Cable	35,077	
95	Palm Desert Calif	Palmer Commun	35,000	
96	Cincinnati Suburbs Ohio	Warner Amex	34,200	
97	Madison Wis	Complete Channel TV	34,000	
98	Evansville Ind	General Electric	34,000	
99	Englewood Colo	United Cable	33,893	
100	Concord Calif	Western	33,636	

Note: Subscriber counts for MSOs and systems are as of 8/82 unless noted otherwise

Chasing the aftermarket

By Victoria Gits

In movieland, the videocassette recorder (VCR) is as popular as a party of beer-crazed motorcycle nuts at a family diner. Film industry champion Jack Valenti calls it an instrument of mass plagiarism and a "tapeworm" sponging off the creative property of movie producers and writers.

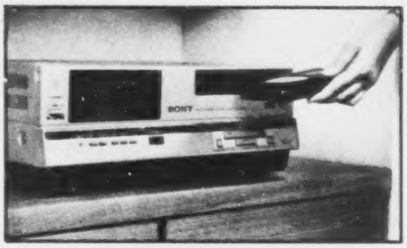
To manufacturers, retailers and the Home Recording Rights Coalition, the VCR is an innocent machine employed by prime-time deprived shiftworkers and conscientious parents.

For communications lawyers, the controversy over copyright infringement and VCR use is a windfall. (See story on page 14 about Universal Studios and Disney Productions' suit against Sony Corp., a landmark question set to be heard by the Supreme Court.)

At ABC, the VCR has opened the door to a bold experiment designed to recoup some of the viewers the network has lost to pay TV. In May, ABC announced a scheme to broadcast premium TV fare in the early morning hours to customers' recorders and decoders. Named Home View Network, it's a service that is sure to be a hit in uncabled areas of major cities and will help boost the profits of hardware retailers too.

Since 1975, when the first home video recorder liberated the first viewer from *TV Guide* bondage, business boomed. Video specialty shops sprang up on every Main Street and shoppette block across the country. Compared to 1979 when there were but a few hundred such outlets, there are today an estimated 8,000 to 10,000 home video stores—a number way out of proportion to the 3.5 million recorders currently in American homes.

In 1981, sales to dealers of VCRs totaled 1.4 million, says the Electric Industries Association (EIA). This year, sales are expected to hit two million. The Yankee Group, a Boston-based marketing and research firm, estimates VCR unit



When the box-office excitement is over, will pay cable or video software feed America's appetite for films?

BETA
VIDEO LIBRARY

Rob Stuehrk

Shopping for movies to play at home: A pastime on the decline?

sales in the realm of 13 million a year by 1985.

Sales of blank tapes in 1981 reached 28 million units valued at $344 million (source: International Tape Association), while sales of prerecorded tapes were 5.5 million in the same year, as reported by the Video Software Dealers Association (VSDA). Those figures mean to advocates of a VCR royalty tax that too much copying of film product, and not enough buying, is the order of the day.

Some say the cabling of the major cities and the introduction of pay cable is an eventuality that is sure to take the fire out of prerecorded cassette videodisc sales altogether.

Looking to 1990, International Resource Development Inc. predicts in a recent report that various forms of pay TV combined (pay cable, STV, MDS and DBS) will achieve a wide lead in popularity over videocassettes and discs. Pay TV will be 2.7 times as popular as home video and will account for $17 billion in revenues compared to $3.9 billion, says IRD.

That conclusion is based on "the far greater *convenience value* and *freshness/aliveness/sharability*" factors of pay TV. The typical pay TV subscriber today can view 35 to 45 new movies a month for $8 to $12.50. Renting eight to 10 videocassettes per month would cost $40 to $50, would consume considerably more shopping time and would have less conversational value (Source: "Telepay Vs. Videodisc: The Exploding Pay-Per-View Market," Sept. 1982, IRD Inc., Norwalk, Conn.).

Cheaper to rent

The home video market apparently has not been all that the movie studios had hoped for. The chief villain here is rentals. Industry studies show an average of six to eight rentals at $4 per unit for every sale as of 1981. Paramount Home Video reports new releases often average 30 rentals for every sale (Source: "Interactive, One-Way and Stand-alone Entertainment, April-May 1981, The Yankee Group, Boston, Mass.). According to the VSDA's Risa Solomon, executive vice president, the average is 2.5 tapes sold per VCR owner per year.

So dimly do movie studios view these statistics, they have taken to threatening a wholesale boycott. In a hearing in late September before the House Judiciary Subcommittee, Disney and CBS/Fox executives promised to withhold product from home video markets if the first-sale doctrine is not repealed. To sweeten the deal, they promised to cut prices 20 to 50 percent.

> *'When I analyzed that 120,000 machines are generating three and a half million dollars in videodisc sales, I had to conclude it is enormously successful on a software basis.'*
>
> *Cy Leslie,*
> *chairman and CEO,*
> *MGM/UA Home Entertainment Group*

(Note: The first-sale doctrine is the legal principle that underlies the rental business. It says anyone who buys a copy of a work has the right to sell, rent or lend it to anyone else. Repeal of the right of first-sale doctrine would effectively put a stop to rentals. Repeal is a feature of two royalty bills favored by the film industry.)

The studios are hunting anxiously for some way to increase "sell-through," or direct sales of videotapes. Says Cy Leslie, chairman and CEO of MGM/UA Home Entertainment Group, "It's important that we establish a sales mode for cassettes. A rental mode is not nearly as significant in terms of return on this enormous film investment as a sales mode."

Tough sell

"Everybody thought it would be a sell business," says Solomon, "but right from the beginning there were people renting." The rental aspect so much dominated the market that movie companies started tacking on "rental surcharges" to make up for the lack of sell-through. The average price of the videocassette to the consumer went from $59.95 in 1980 to $75 in 1982. (The cost to the retailer increased from about $35 to $55 or $60.)

The high prices "definitely affected sales and the number of copies retailers ordered," Solomon says, and consequently, rental activity increased.

Paramount responded in early 1981 with the first studio lease-rental plan in which the studios maintained ownership of product and leased it to stores for a set rate over a given period of time. Each of the major suppliers—Warner Home Video, Walt Disney, CBS-Fox and MGM-UA—came up with a different plan.

For the store owners, "It was an (administrative and bookkeeping) nightmare," Solomon says. They "boycotted, refused and lost money." It was "mass confusion," for a year, with studios instituting new policies as often as four times in a six-month period.

Blue light special

"Manufacturers found they weren't moving very much product on the marketplace. A lot of stores didn't carry it all. A lot bought in very limited quantities," Solomon says.

"The popularity of a title on cassette is about 12 weeks (after release in movie theaters). And after that, it dies . . . The retailers could not afford to buy a lot of copies the first week and sit on them and pay the lease fee for the next six months," Solomon says.

Within the last three months, the studios have, by and large, abandoned the lease-rental plans and indications are that price-cutting is in vogue now.

At the Consumer Electronics Show in Chicago in June, Paramount announced a new mid-

Projected revenues: Pay TV and home video

(in billions)

	1982	1985	1990
Pay TV/home video combined			
	$3.1	$7.8	$20.9
Pay TV (pay cable, STV, MDS, STV)			
	$1.9	$5.4	$17.
market share	63.3%	68.7%	81.5%
Home video (cassettes and discs)			
	$1.1	$2.4	$3.9

Source: International Resources Development Inc.

The typical videodisc player owner is squirreling away an average of 30 discs per year at about $29.95 per disc.

they appeal to a different audience (14 to 25 years). In the middle are the video software who are particularly vulnerable to downloading (on cable) of software of all kinds, including movies. The development of a rental market for videodiscs could destroy the sell-though market ... (Record rental) is becoming a major problem for the record industry. . . It could make the prerecorded tape business completely unattractive to the movie producers if they are not getting their share of those dollars."

Smith argues one cannot assume pay cable will undermine the demand for discs and tapes in a cable market. The fact that people are buying a phenomenal number of videodiscs indicates the alternative vehicle has appeal—if attractively priced.

The sought-after increase in sell-through depends on the future of the VCR and the player as mass market items, increased production volume and accompanying price reductions. "Whether the studios might find it more to their advantage to de-emphasize sale as opposed to going on cable for the second phase of release (instead of the third), it is just not clear, because we don't know what the economics will be," Smith says.

Perhaps the right question to ask is: What will be the second phase in the distribution cycle—pay cable or pre-recorded tape and disc?

A leash on taping

In the meantime, the movie studios view the unfettered VCR as more than a drain on sales of videocassettes and discs—it's a threat to the lifeblood of free TV.

Chief spokesman for the movie industry, Jack Valenti, president of the Motion Picture Association of America (MPAA), says Americans watch as much TV as they can handle already.

By the end of the decade, hours per day of television usage will level off at about seven, slightly more than the average today, Valenti predicts. That says to him the "new media" will steal from the old, rather than expand the marketplace (and the dollars available) for new programming.

To plug the VCR-induced profit slide, the MPAA backs legislation recently introduced in Congress that would require a royalty tax: $50 per VCR and $1 per blank tape is the target figure.

Says Valenti: "If there is no copyright fee, if the VCRs are allowed to roam at will in the programming marketplace, the ultimate victims will be those American families who cannot afford these expensive machines, who depend on free, advertiser-supported television for their home entertainment.

For when the incentive to produce is blunted by millions of 'tapeworms' eating away at the concept of copyright, there will be less programs available to those who do not own video machines." (From a debate before the Congressional Arts Caucus, June 15, 1982.)

Valenti's complaint has received some sympathy in judicial quarters, namely with the federal appeals court's October decision branding home videotaping illegal and the recorder a tool of copyright infringement. The Sony Corp. appealed the decision to the U.S. Supreme Court, which decided in June to review the case. (See story, page 14)

On the manufacturers' side, we have the Home Recording Rights Coalition (HRRC), whose members include Sony Corp. of America, Matsushita, 3M, Sears Roebuck, the Electronic Industries Association, RCA Consumer Electronics and the Video Software Dealers Association.

The HRRC contends that VCRs "have opened up an entirely new and lucrative market for Hollywood, from the increased television revenue they receive—since the TV ratings series count VCR use—to the millions of dollars they gain from the sale and rental of tapes by small video stores in virtually every town and city. The VCR is the best friend Hollywood ever had." (From a fact sheet on royalty proposals published by HRCC.)

Consumer's Court

The future of the home video industry may not, in fact, lie in the

Recorders
WATCH MOVIES AT HOME... JOIN OUR MOVIE CLUB
R.C.A. PANASONIC G.E. SONY HITACHI
MAKE YOUR OWN HOME MOVIES
Recorders

Rob Stuehrk

Congress and the courts. A royalty tax will not likely stop home taping, though it might make up a bit for lost revenues.

The remedy very well could lie in economics. "You have to bring down the price of the product to the point where piracy is of marginal utility," says Clive Smith. "You have to go after professional duplicators with more stringent legal sanctions (and regard) the other (home taping) as just a cost of doing business."

The healthy sales of videodiscs relative to videodisc players and Paramount's acknowledgment that pricing has something to do with volume, could prove to be the beginnings of a shift in the marketplace. Where prices of prerecorded tapes and hardware to go along, descend to the realm of mass merchandising, the studios might find they are making up in volume what they lose by lowering prices.

At a certain price point—and there is much experimenting to be done before that point is realized—the hassle of taping is not worth the extra cost involved in direct purchase. At that point, it becomes not a question of *either* pay cable or cassettes and tapes, where one is vastly superior price-wise to the other. It becomes not a question of renting tapes or copying off-air rather than buying, where the purchase price is prohibitive.

After the Supreme Court has had its say and the U.S. Congress has chewed on the subject for awhile, it may be the answer was simply waiting on the classic ploy: a buy that is truly a bargain. ■

Within the last three months, the studios have, by and large, abandoned the lease-rental plans, and indications are that price-cutting is in vogue now.

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- Nickelodeon uncorks new programming style
- Caution signs thrown at joint ventures
- Industry remains bullish on advertising
- 'Blue sky' promises spell franchise doom

CableVision

The news and features weekly of the cable television industry November 1, 1982 $3.00

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Gambling on consolidation

Regional focus reveals high level of activity

CableVision November 1, 1982. Volume 8, Number 9

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Roy Acuff

Nashville swing

Amidst a honky-tonk hoedown atmosphere, officials behind The Nashville Network reveal ambitious programming plans and predict the biggest launch ever of an ad-supported service come spring. **Leading the week, pages 13-17.**

New fees

The Copyright Royalty Tribunal released new royalty rates for distant signal use. Cable representatives claim the new fees may be prohibitive for operators wanting to pick up additional distant signal programming. **Leading the week, pages 13-17.**

Election time

Most of the members of Congress who deal with telecommunications issues are expected to be returned to their seats but not all. **Leading the week, pages 13-17.**

Denver lawsuit

The Denver franchise award has become the subject of legal action again. This time the Mountain States Legal Foundation, a group formerly led by James Watt, has initiated the lawsuit. **Leading the week, pages 13-17.**

Clout that counts

Use your political and legal clout was the unofficial theme of the week when cable operators gathered in Tulsa, Okla., for the Mid-America Cable TV Association's 25th annual meeting. **Leading the week, pages 13-17.**

European complement

Gustave Hauser, chairman and CEO of Warner Amex Cable Communications, addressed a major gathering of European newspaper publishers and executives in Copenhagen, Denmark, last week. His message was that cable will complement the print industry. **Leading the week, pages 13-17.**

Scrambled venture

Oak Industries and the Telstar Corp. have formed a joint venture to market Oak's ON TV pay programming service to MDS, SMATV, STV and cable systems nationwide. **Leading the week, pages 13-17.**

Nickelodeon trio

Three new series are being aimed at capturing the imagination of children while luring the attention of adults and corporate underwriters. **Page 19.**

Creative thinking

Heads of leading advertising agencies agreed that cable needs to work hard to reach the dollar potential expected from the industry. Those savants were gathered at a CAB seminar in Chicago last week. **Page 29.**

Joint venturing

The joint venture approach to the "new media" is becoming more important but media businesses are being encouraged to choose partners carefully. **Page 31.**

Beware of promises

City officials and MSO franchising departments are guilty of letting "blue sky" promises dictate franchise awards. Those were the words of industry and municipal experts at a seminar sponsored by the Illinois Institute for Legal Education. **Page 102.**

Commissioner, at last

After waiting several months while his nomination to the FCC hung in limbo, Stephen Sharp finally has gained his post and is ready to administer a deregulatory thrust. **Page 105.**

About the cover

Atlantic City will play host to the Atlantic show. Freelance photographer Jeffrey Asher provided this "boardwalk" shot.

This week in PLUS

Every joyride has to end, including cable's stock market joyride. Gary Rothbart talks with Wall Street analysts who agree that the outlook for cable stocks is positive but who don't expect cable to be breaking any records. They also speculate on what stocks will and won't do well. . . . Next, *CableVision Plus* Editor Victoria Gits takes a look at the home video market. More and more people are buying and renting videocassettes and discs for now, but what will they do when pay cable comes to town? In the long run, when it comes down to a choice, which will win, video or cable? Pages 51-74.

Thursday, October 27

9 a.m.-Noon Exhibits Open

9-10:30 a.m. "Local Programming: What Is Its Place?" *Moderator*: Gregory Vandervoort, director of local programming, Suburban Cablevision. *Panel*: Anne Darlington, director of program planning, Maryland Center for Public Broadcasting; Barry Mines, director of programming, Viacom Cablevision of Long Island; Hal Leu, manager, local origination, Howard County Cable (Monticello Park, Fairmont Park)

9-10:30 a.m. "The Legislative and Regulatory Issues Affecting the States." *Moderator*: Nancy Becker, executive director, NJCTA. *Panel*: Melvin Zimmer, chairman, Governmental Operations Committee, New York State Assembly; Barbara Curran, president, Board of Public Utilities, Department of Energy; Assemblyman Walter Kern Jr. (N.J.); Harold Etsell Jr., vice president of operations in marketing, UltraCom Inc. (Tivoli Garden, Berkshire Garden)

10:30-10:45 a.m. Coffee Break (Exhibit Hall)

10:45 a.m.-12:15 p.m. "Refranchising: Strategies for Survival." *Moderator*: Thomas Bird, vice president of cable systems development, Rollins Cablevue Inc. *Panel*: Rita Valentino, vice president, Auburn Cablevision Inc; Gary Hurvitz, vice president of regulatory affairs, Malarkey-Taylor Associates; Susan McAdams, director, telecommunications projects, National League of Cities; Stuart Brotman, president, Communication Strategies Inc. (Monticello Park, Fairmont Park, Central Park)

10:45 a.m.-12:15 p.m. "Theft of Services: Preventing Loss of Your Dollars." *Moderator*: Jim Bailey, Cable Tel. *Panel*: Donald Mitzner, president, Group W Cable Manhattan; Denis Dillon, district attorney, Nassau County, N.Y.; Peter Schwab, vice president, customer services, International Cable; Ed Horowitz, vice president of studio and network operations, Home Box Office; John Sie, senior vice president, sales and planning, Showtime Entertainment (Tivoli Garden, Berkshire Garden, Imperial Garden)

12:30-2:30 p.m. Philadelphia Block Party (Claridge Hotel, Stratford Ballroom)

Regional focus

	Delaware	Maryland	New Jersey	New York	Pennsylvania	Total
Number of systems	8	41	57	185	360	651
Number of communities served	46	123	387	776	1,280	2,612
Basic subscribers	107,312	216,836	1,013,710	1,925,296	1,642,428	4,905,582
Pay units	39,840	157,561	754,488	776,445	450,936	2,179,270
Homes passed	183,043	390,562	1,990,373	2,835,124	2,529,900	7,929,251
Plant miles	2,841	5,013	72,123	32,480	81,362	193,819
Basic/HP	58.6%	55.5%	50.9%	67.9%	64.9%	61.9%
Pay/basic	37.1%	72.7%	74.4%	40.3%	27.5%	44.4%
Subs per mile	37.8	43.3	14.1	59.3	20.2	25.3
Homes per mile	64.4	77.9	27.6	87.3	31.1	40.9

Atlantic region boasts corporate headquarters

Delaware

Cable System Survey Co., Inc.
1334 Cypress Ave.
Wilmington, 19805
(302) 994-4765

Catel Expo
127 N. Broadway
Wilmington, 19801
(516) 543-6189

Video Cableservices Inc.
2415 Concord Pike
Wilmington, 19803
(302) 478-4887

Maryland

COMSAT M & S Center
22250 Camsat Dr.
Clarksburg, 20871
(301) 428-4285

Commercial Credit Leasing Corp.
301 N. Charles St.
Baltimore, 21201
(301) 332-3000

Custom Antenna Service Inc.
7636 Airpark Rd.
Gaithersburg, 20878
(301) 948-5931

Hallmark Cable Associates
P.O. Box 5830
3703 Old Court Rd.
Pikesville, 21208
(301) 484-2030

Knox Video Products
5001-J Forbes Blvd.
Lanham-Seabrook, 20706
(301) 459-2106

Mastercom
12321 Wilkins Ave.
Rockville, 20852
(301) 957-3697

Microdyne Corp.
P.O. Box 1527
Rockville, 20850
(301) 762-8500

Satellite-TV Services Ltd.
12321-A Wilkins Ave.
Rockville, 20852
(301) 984-1670

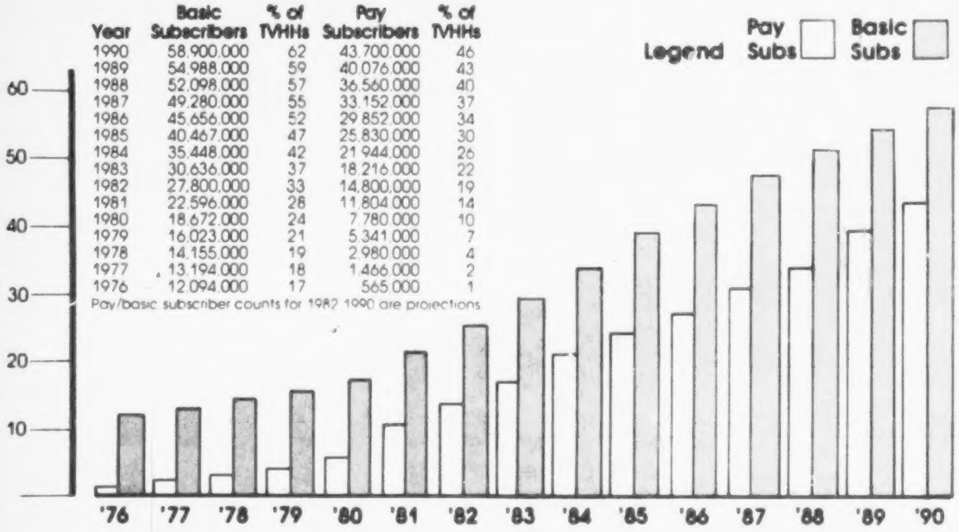
(Continued on page 47.)

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	27,800,000	33	14,800,000	19
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH)	82,100,000
Homes passed by cable (HP)	44,732,230
Percent of TVHH passed by cable	54.5%
Basic cable subscribers	26,421,666
Percent of TVHH with basic cable	32.2%
Percent of HP with basic cable	59.1%
Pay cable units	14,026,919
Percent of TVHH with pay cable	17.1%
Percent of HP with pay cable	31.4%
Percent of basic subs with pay cable	53.1%

Figures are as of August 1982

Satellite-fed cable programming services

Basic services	Affiliates*	Subscribers*	% change in subs from 8/30	
ACSN: The Learning Channel	262	1,843,352	3	
Alpha Repertory Television Service (ARTS)[1]	1,725	8,000,000	7	
Black Entertainment Television (BET)	122	2,000,000	N.A.	
Cable Health Network (CHN)	N.A.	N.A.	N.A.	
Cable News Network (CNN)	2,807	15,287,000	4	
CNN Headline News	270	1,904,640	19	
Cable Satellite Public Affairs Network (C-SPAN)	1,000	10,500,000	5	
CBN Cable Network	3,245	18,200,000	2	
CBS Cable	504	5,000,000	N.C.	
Daytime	515	7,244,313	7	
Dow Jones Cable News	60	640,000	7	
Electronic Program Guide (EPG)	58	821,490	61	
The Entertainment Channel (TEC)	31	N.A.	N.A.	
Entertainment and Sports Programming Network (ESPN)	4,586	18,780,114	4	
Eternal Word Television Network (EWTN)	33	600,000	6	
Financial News Network(FNN)	590	760,000	12	
Modern Satellite Network (MSN)	427	5,731,910	9	
Music Television (MTV)	825	6,750,000	13	
National Christian Network	72	1,690,377	24	
National Jewish Television	98	2,146,100	1	(8/30)
Nickelodeon	1,850	9,000,000	3	
North American Newstime/The Travel Channel	114	876,000	N.A.	(7/30)
PTL Television Network	600	6,500,000	18	
Reuters News View	375	3,500,000	N.A.	
Satellite News Channel I (SNC)	342	3,292,130	6	
Satellite Program Network (SPN)[1]	410	4,757,126	N.A.	(8/30)
SIN Television Network[2]	199	25,531,004	6	
Trinity Broadcasting Network	231	2,267,000	1	
USA Network	2,300	13,000,000	8	
The Weather Channel (TWC)	550	6,000,000	18	
WGN	3,359	9,448,079	2	
WOR	655	4,337,824	2	
WTBS	4,699	23,324,000	6	
Basic audio services				
Lifestyle	75	700,000	1	
WFMT	158	874,862	2	
Pay services				
Bravo	41	70,194	N.A.	(8/30)
Cinemax	900	1,500,000	N.C.	
EROS	12	50,000	N.C.	

Pay services	Affiliates*	Subscribers*	% change in subs from 8/30	
GalaVision	145	100,000	N.C.	
Home Box Office (HBO)	3,600	10,000,000	1	
Home Theater Network Plus	200	155,000	N.A.	(6/30)
The Movie Channel (TMC)	2,150	2,200,000	N.C.	
The Playboy Channel	176	278,200	N.A.	(8/30)
Showtime	1,800	3,500,000	N.C.	

*Affiliate and subscriber counts are as of Sept. 30, 1982, unless otherwise noted.

[1] Subscriber count denotes households receiving signal.

[2] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 3,750,900.

N.A. designates not available.

N.C. designates no change.

Announced satellite-fed cable services	Projected launch date
ABC/ESPN Pay Service	T.B.A.
Aimi Group Network	T.B.A.
Apollo Entertainment Television	T.B.A.
The Buena Vision Channel	1st quarter 1983
Cable Newspaper Corp	1/83
The Channel Black	T.B.A.
Christian Media Network	relaunch T.B.A.
Cinemerica	T.B.A.
The Community Channel	T.B.A.
The Disney Channel	2nd quarter 1983
Family Programming Network	T.B.A.
Heartbeat Media Network	4th quarter 1982
Home Music Store	1983-84 launch
The Job Channel	T.B.A.
Kidvid Network	1/83
Rock 24 (Lewmark Productions Music)	6/83
Magicable	3rd quarter 1984
Nashville Network	2/83
National Jazz Network	1982
PBS Cable	T.B.A.
Penthouse Entertainment Network	T.B.A.
Satellite News Channel II	2nd quarter 1983
The Silent Network	3/83
Sitcom Channel (Channeltainment)	1st quarter 1984
Spanish Universal Network	T.B.A.
SPN/International Network	2nd quarter 1984
SPN/Financial-Religious Network	2nd quarter 1984
SPN/Classic Movie Network	2nd quarter 1984
SPN/How-To Network	2nd quarter 1984
Top Entertainment Network	T.B.A.
UTV Cable Network	1/83
Video Concert Hall	T.B.A.
Window	T.B.A.

Film product comparison—November

Film	Pay Networks				Distributor
A Challenge for Robin Hood		ST			(C) Warner Bros
Adventures of the Wilderness Family	HBO*		TMC*		Simcom
All Night Long		ST*			Universal
All the Fine Young Cannibals		(ST)		HTN*	MGM/UA
Altered States		(ST)	TMC		Warner Bros
Animals are Beautiful People					C* Warner Bros
Any Number Can Play					C* MGM/UA
Any Which Way You Can	HBO	(ST)	(TMC)	(HTN)	Warner Bros
Are You in the House Alone?					C Worldvision
The Asphalt Jungle				HTN*	MGM/UA
Baa Baa Black Sheep					C Granada
The Baby Maker		ST			C Warner Bros
Back Roads		ST	TMC		(C) CBS
Battleground		ST*			MGM/UA
Belle Starr					C Worldvision
Bells are Ringing				HTN*	MGM/UA
Beyond Evil		ST*			Film Gallery
Black Beauty	(HBO)	ST*			Paramount
Blood Barrier			TMC*		Hemdale
Blood Beach		ST	(TMC)		Viacom
Blume in Love					C Warner Bros
Body and Soul		ST*	(TMC)		C Viacom
Boys' Night Out		(ST)		HTN*	MGM/UA
The Bronte Sisters			TMC		MTV
Bustin' Loose		ST			Universal
Can You Keep It Up for a Week?		ST*			Miramax
Carbon Copy	(HBO)				C Embassy
Catherine and Company					C Film Gallery
Christmas Mountain		ST			Christmas Mountain
Chu Chu and the Philly Flash	(HBO)	(ST)	(TMC)	HTN*	20th Century Fox
The Cincinnati Kid					C* MGM/UA
The Club		ST*	TMC		Cinaco
The Competition				HTN	Columbia
The Confession				HTN	Paramount
Convoy			TMC		MGM/UA
Cutter's Way	HBO	(ST)			(C) MGM/UA
Danny				HTN	Wombat
Death Valley	HBO*	(ST)	(TMC)		Universal
Don't Go Near the Water				HTN*	(C) MGM/UA
The Dot and the Kangaroo				HTN*	Satori
The Drowning Pool				HTN	C Warner Bros
Drum					C MGM/UA
Dunkirk		ST			MGM/UA
The Eerie Midnight Horror Show		ST			Viacom
The Elephant Man		ST		(HTN)	C* Paramount
Emily		(ST)			C Atlantic
Enter the Ninja		ST	TMC		Viacom
Escape from New York					C* Embassy
The Exterminator		ST			Embassy
The Eyes of the Amaryllis		TMC			Amaryllis Productions
Fall Line		ST*			Embassy
Falling in Love Again	HBO		(TMC)		Badish
Far from the Madding Crowd	(HBO)	(ST)		HTN*	MGM/UA
Father Figure	HBO				HBO
First Family	(HBO)	(ST)	TMC		Warner Bros
First Monday in October	(HBO)	ST*	(TMC)	(HTN)	Paramount
The First Time			TMC*		Film Gallery
Foolin' Around	HBO				GGC
For Your Eyes Only	(HBO)	ST*	(TMC)	HTN*	MGM/UA
The Formula	HBO	(ST)	TMC		MGM/UA
The Four Horsemen of the Apoclaypse		ST		HTN	C MGM/UA
The Four Seasons	(HBO)			HTN*	Universal
The Gambler (Kenny Rogers version)					C Viacom
The Gathering					C Worldvision
Ghost Story	HBO	ST	TMC		Universal
Good Riddance			TMC		Int'l Film Exchange
Goodbye Emmanuelle		ST			(C) Miramax
Great Adventure	HBO				Simcom
The Great Bank Hoax				(HTN)	C* Warner Bros
The Great Brain					C* HBO
The Great Muppet Caper	(HBO)				C AFD
The Great Train Robbery			TMC	(HTN)	C* MGM/UA
Gulliver's Travels				HTN	Corinth
Halloween II	(HBO)	(ST)	TMC*		Universal
Happy Birthday to Me		ST			Columbia
The Happy Hooker Goes To Washington		ST			(C) Swank
Harper Valley P.T.A.					C April Fool
Heaven Can Wait	(HBO)	ST*	(TMC)	(HTN)	Paramount
Hell's Angels				(HTN)	C* Universal
The High Country		ST	TMC		(C) Crown International
High Ice					C* HBO
House Calls	HBO*	ST*	(ST)	HTN*	Universal
The Howling	HBO	(ST)			Wescom
Hunted in Holland					C Janus
I Go Pogo	HBO		TMC		Stowmar Enterprises
I Love Melvin				HTN	MGM/UA
Ice Castles	HBO	ST			Columbia
I'll Cry Tomorrow				HTN*	(C) MGM/UA
Imitation General		ST			MGM/UA
Improper Channels		ST*	TMC	HTN	Crown International
The Incredible Shinking Woman	HBO	ST	(TMC)	(HTN)	Universal
The Intruder					C S.J. International
Islands in the Stream	HBO*			(HTN)	C Paramount
The Jazz Singer	HBO*				(C) EMI
The Jungle Book				HTN	Corinth
Just Before Dawn		ST	TMC		Juniper
The Kid from Not-So-Big	(HBO)			HTN*	Film Gallery
King Solomon's Treasure			TMC		Gold Key
La Cage Aux Folles	HBO*				MGM/UA
La Strada					C* Janus
The Last Time I Saw Paris				(HTN)	C MGM/UA
Legend of the Wild	(HBO)	ST			Sunn Classic
Les Girls		(ST)		HTN	C MGM/UA
Lipstick		(ST)			C Paramount
The Little Prince				HTN	Paramount
The Looney, Looney, Looney Bugs Bunny Movie	(HBO)			HTN	Warner Bros
Loophole	HBO		TMC	(HTN)	Telepictures
Love and Money			TMC		Lorimar
Love Me or Leave Me				HTN*	C MGM/UA
Made in Paris		(ST)		HTN*	MGM/UA
The Man Who Would Be King					C Lorimar
The Meanest Men in the West				HTN	Universal
Melvin and Howard			TMC		Universal
The Merry Widow				HTN	MGM/UA
MGM's Big Parade of Comedy				HTN	MGM/UA
The Million Dollar Face					C* HBO
The Mirror Crack'd				HTN	C EMI
Montenegro		ST			Atlantic
My Bloody Valentine	(HBO)	ST	(TMC)		Paramount
Mystery of the Million Dollar Hockey Puck					C Cinepix
Naughty Wives		ST*			Wrightwood
Never So Few		ST		HTN	MGM/UA
Nijinski					C* Paramount
Nine to Five		ST	(TMC)	HTN*	20th Century-Fox
North by Northwest				HTN	MGM/UA
Ode to Billy Joe	HBO				Warner Bros
The Offence					C* MGM/UA
Oh Heavenly Dog	HBO				(C) Mulberry Square
On the Right Track	(HBO)	(ST)	(TMC)	HTN*	20th Century Fox
One on One	HBO*			(HTN)	Warner Bros
The Optimists				HTN	Paramount
Ordinary People		ST	(TMC)		C* Paramount
The Outlaw				HTN*	(C) Universal
Paper Tiger				HTN	(C) Castle Hill
The Party					C MGM/UA
The Passenger				HTN	MGM/UA
Paternity	HBO	ST	TMC	HTN	Paramount
Portrait of a Rebel Margaret Sanger	HBO*				HBO
The Postman Always Rings Twice		ST			Lorimar
Pretty Maids All in a Row		ST			MGM/UA
Prince of the City	HBO	ST	TMC		Warner Bros
Prisoner of War		ST			MGM/UA
The Pursuit of D.B. Cooper					C* PolyGram
Race for Your Life Charlie Brown			TMC		Paramount
Raggedy Ann and Andy	HBO				Aurora Films
Ragtime	HBO				HBO
The Rain People					C* Warner Bros
Raintree County				HTN	C* MGM/UA
Rascal Dazzle	HBO				Castle Hill
Rich and Famous		ST	TMC		C MGM/UA
Rose Marie		ST			MGM/UA
Rough Cut					C Paramount
Royal Flash			TMC		20th Century-Fox
Royal Wedding		(ST)		HTN*	MGM/UA
The Runner Stumbles		ST			Viacom
Schlock			TMC		Cinemasignal
Sea Wolves	HBO*				Lorimar
Secrets of Three Hungry Wives					C Worldvision
Serial		(ST)	TMC		Paramount
Shoeshine					C Film Verhuurk
The Shogun Warriors Starvengers		ST			Blum Group
Shoot the Sun Down			TMC		Gold Key
Silence of the North	HBO*		(TMC)	(HTN)	Universal
Silver Streak	(HBO)	(ST)		HTN*	20th Century-Fox
Skirts Ahoy		ST			MGM/UA
So Fine	HBO	ST	TMC		Warner Bros
Soldiers Three		ST			MGM/UA
Sorcerer			TMC		Paramount
Southern Comfort		ST	TMC		C Atlantic
Sphinx	HBO	(ST)	TMC	(HTN)	Warner Bros
Spirit of the Wind	HBO	(ST)			Atlantic
St. Ives				(HTN)	C Warner Bros
Stranger in the House	HBO				Warner Bros
Stripes	(HBO)	(ST)	(TMC)	HTN*	Columbia
Take This Job and Shove It					C* Embassy
Tattoo	(HBO)	ST*	TMC*		20th Century-Fox
Texas Lightning		ST			Film Ventures
The 13th Day The Story of Esther				HTN	Universal
This is Elvis		(ST)	TMC	HTN*	Warner Bros
Three Days of the Condor			TMC		C Paramount
Three Warriors			(TMC)		C Zoentz
Tim		(ST)	(TMC)	HTN	Satori
Torch Song		ST			MGM/UA
Trilogy	HBO*	(ST)			Viacom
True Confessions	HBO	ST	TMC		MGM/UA
The V.I.P.'s					C* MGM/UA
Virus			TMC		Broadwood Prod
Where the Spies Are		(ST)			C MGM/UA
Who Has Seen the Wind	HBO*		(TMC)		Janus
The Wild Geese	HBO				HBO
Zoot Suit		ST*	(TMC)		Universal

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in June, July, August, September and/or October

■ An asterisk following a network indicates the film is a carry-over from June, July, August, September and/or October

■ In total, 191 films appear on the November schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (June-Oct. 1982), 11 films have appeared on four of the five services, 29 on three and 52 on two services. Ninety-two films are unduplicated

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 44, followed by Warner Brothers with 19 and Paramount with 18

■ Burt Reynolds comedy "Paternity" is highlighted on the Showtime, HTN Plus, The Movie Channel and HBO/Cinemax program guide covers this month. As for HBO, their guide cover features "Ragtime," the Milos Forman drama shown exclusively on the pay network. Other movies featured on guide covers this month: "Rich and Famous" (HBO/Cinemax, Showtime, TMC) and "True Confessions" (TMC)

BLE
THE REAL STORY BEHIND 'MOMMIE DEAREST'
ON CABLE
Cabletime
FALL
GUIDE
$1
choices
DIMENSION
Dudley Moore stars as the playboy millionaire in this zany comedy
Read about Dudley's new success on Page 6

Too many options?

If you think subscribers are befuddled, think of the cable operator who has to pick a program guide that sells, explains, identifies and educates—and doesn't cost like it.

By David Stoller

Everything from the shine on the satellite to the smile on the face of the customer service representative has been examined as cable operators attempt to find new and better methods of attaining and retaining subscribers.

One of the latest topics of debate is the program guide. Program information is nearly universally recognized as a critical area in cable, especially in cable marketing. How can consumers or subscribers know and understand the many values of cable, such as multiple channels and specialized programming, if they have no reliable sources? Without the vital information of what's on, when and why, cable subscribers—and potential subscribers—are in an electronic wilderness, aimlessly wandering around the dial.

And aimlessness is not what cable operators want. They want their subscribers to be more than just knowledgeable about their television viewing alternatives. Cable operators want to direct subscribers to the best and most profitable alternatives.

That's where the program guide comes into play.

According to Dan Davids, Group W Cable director of marketing services, the program guide is the "single most all-around and important marketing tool."

At the recent Eastern Show, Neil Heller, executive vice president of TVSM Inc., one of the major program guide publishers, echoed Davids almost to the letter. "The primary purpose of the guide," said Heller, "is not information—which is obviously very important—but marketing. . . The program guide is your image, your statement to the subscriber. It represents you in the way you want to be represented."

How it happened

How did the program guide become so important in the cable marketing scheme? Traditionally, the guide was just a bill stuffer, typically produced by the program supplier. Because the guide had to fit inside the bill envelope, weight, size and cost were the operators' primary considerations.

But as programming choices have increased, so has the importance of the guide.

Major MSOs today are reassessing the functions and formats of their guides.

Tess Spencer-Mohl, marketing research analyst, Storer Cable, says, "The guide is a very expensive undertaking, especially for a major MSO. The guide is really the only method we can use to put our name in front of the subscriber every day. It represents our image to subscribers. We can use it to reduce service calls, to put in helpful hints or the right phone numbers to call. It can prove to be a retention tool."

Spencer-Mohl is conducting a survey of 135 Storer Cable systems managers. She asked them how satisfied they were with their current guide, whether they wanted a pay-only, pay and satellite, or all-channel guide, and whether the guide should be weekly, biweekly or monthly. She also asked the managers to get reaction from subscribers, especially those who had been exposed to paying for their guides.

TCI's 'Cabletime' is designed specifically for its own systems and will, John Charlton hopes, give the company control that will help change viewing habits.

Other operators, including Cox Cable, Viacom and Liberty Communications are undergoing program guide evaluations.

Says Ron Lederer, Oregon's Liberty Communications corporate sales and marketing director, "We will seriously make a change to upgrade the quality of our guides, to have larger formats and more pictures and information."

According to Cindy Dennis, Cox Cable manager of marketing support, the MSO is moving toward using one standard guide in every system. Cox now is conducting both telephone and focus group research with subscribers, testing reactions to different guide styles and formats.

Viacom, which has used a number of outside suppliers, is investing in developing a long-term guide strategy, says Ed Bennett, senior vice president.

Bennett says the guide must go beyond just informing customers what is on cable. "It's a training manual. It can change viewing patterns and help maintain subscriber life and profitability."

More players

Every day, more players enter the two-year-old program guide business. TVSM, with 550 cable system clients and a 3,500,000 monthly print run, started its first multipay guide in Group W's (then Teleprompter) Maquoketa, Iowa, system in July 1980. The guide was 16 pages long and included both HBO and Showtime program listings. The print run was only 2,000 copies.

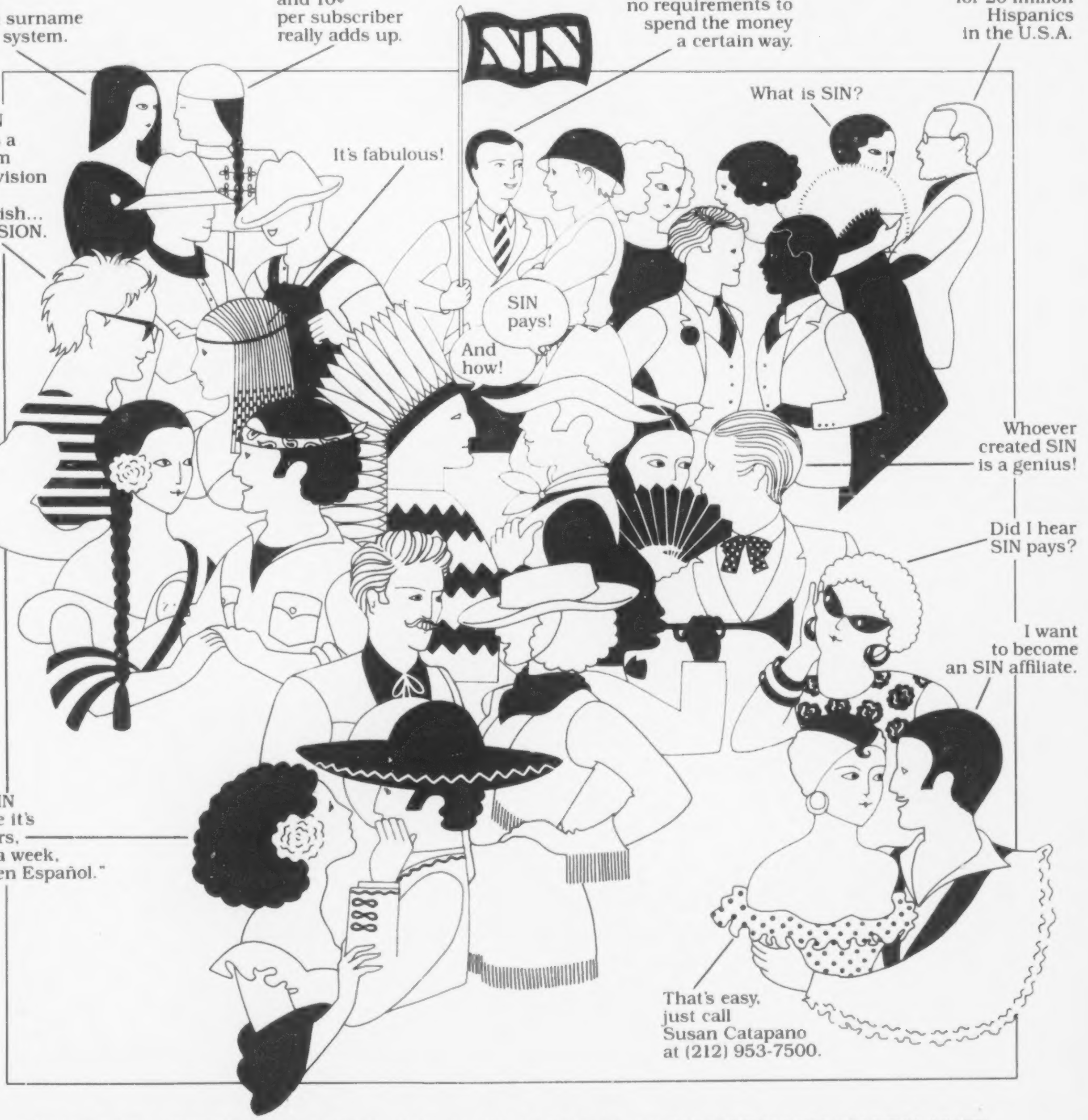
In those two short years, business has boomed.

There are about nine major program guide suppliers today. And that does not include proprietary guides produced by systems such as Group W Cable in Manhattan or Gillcable in San Jose, Calif., or the guides supplied by HBO, Showtime, etc.

Recently, Tele-Communications Inc. and Times Mirror announced plans to publish their own guides for all their systems as part of new marketing and programming strategies. And other operators may follow.

Still, perhaps the most dramatic entry into the guide business is the

Everybody's talking about SIN


SIN pays its affiliates 10¢ every month for each Spanish surname on their system.
Yeah, and 10¢ per subscriber really adds up.
SIN
Did you know SIN was the first and only programmer to pay monthly compensation to affiliates with no offsetting charges, no requirements to spend the money a certain way.
SIN is the only national medium programming specifically for 20 million Hispanics in the U.S.A.
And SIN also has a premium pay television service in Spanish... GALAVISION.
It's fabulous!
What is SIN?
SIN pays!
And how!
Whoever created SIN is a genius!
Did I hear SIN pays?
I want to become an SIN affiliate.
I like SIN because it's 24 hours, 7 days a week, 100% "en Español."
That's easy, just call Susan Catapano at (212) 953-7500.

SIN TELEVISION NETWORK 250 PARK AVENUE NEW YORK NEW YORK 10177 proposed 1983 debut of Time Inc.'s *TV-Cable Week*. Time plans to produce a weekly program guide including both cable and broadcast listings. The cover price will be 70 cents.

What's more, Time announced it is willing to spend $100 million to get a share of the business.

TV-Cable Week has hired Bob Bedell, HBO marketing vice president, to head up the sales and marketing for the new magazine.

Bedell's move to *TV-Cable Week* signifies Time's interest in making sure cable operators understand and identify with their new guide, just as they do with HBO, Cinemax and other Time cable products.

John Sie, Showtime senior vice president, has been one of *TV-Cable Week*'s most outspoken critics. Sie has expressed concern over what he describes as "unresolved" conflict of interest issues prompted by Time Inc.'s ownership of HBO and Cinemax.

At press time, John Sie said he was still waiting to be given a formal presentation of *TV-Cable Week*. He said he had requested the presentation as a "potential advertiser."

Sie is concerned with "possible editorial-promotional bias." He says that the reported "church and state" separation between Time's video and publishing groups is better described as a "church-state." He charges that HBO has been heavily cross-promoted in Time Life publications in the past and wonders outloud if that also will happen in *TV-Cable Week*.

While most cable operators aren't fretting about it, Sie says operators "wouldn't know" if *TV-Cable Week* was an unbalanced product.

"If they (operators) made money, they wouldn't care," he comments.

Bob Bedell answers John Sie's charges in a calm, almost matter-of-fact manner. "John Sie raises fair questions, but the fear is totally unfounded. *TV-Cable Week* is totally divorced from HBO Inc. and its products. Those brands will receive no better and no more treatment than any other basic or pay service, in either the editorial or listings sections."

What concerns operators is price—not the church-state debate.

John Charlton, TCI's vice president in charge of its new program guide, questions how many subscribers *TV-Cable Week* will accept a $2.80 a month subscription price. Charlton says that saturation levels will be too low at 70 cents per copy per week to be helpful to operators. "What does 20 percent penetration do for the cable operators?" he asks.

> *'Our goal is to get the ultimate cable TV program magazine into the hands of consumers as soon as possible.'*
>
> *Bob Bedell,*
> *sales and marketing manager,*
> *'TV-Cable Week'*

THE COMPLETE LISTINGS FROM TIME-LIFE
TV-CABLE
WEEK
DOLLY PARTON
THE QUEEN OF NASHVILLE CONQUERS HOLLYWOOD
BRYANT GUMBEL TAKES OVER 'TODAY'
CAPTAIN KANGAROO IS HOPPING MAD

Adds Larry Miles, senior vice president of marketing and programming, Times Mirror, "We had two presentations from Time Inc. They want to do a national guide, a national magazine with major circulation to appeal to advertisers. Our objective is to inform our subscribers about cable."

Says Bob Bedell, "Our goal is to get the ultimate cable TV program magazine into the hands of consumers as soon as possible."

Bedell says the average cable subscriber uses more than two sources to get his total television program listings. That there is no one source angers subscribers. "Inevitably," Bedell says, the anger is "directed at the cable system."

Questions raised

The particulars of *TV-Cable Week*—its price, its weekly publication schedule and its listing of both cable and broadcast programming—raise fundamental questions over the purpose and the nature of the program guide. Should the guide be distributed free to all subscribers or should it be offered by subscription only to those willing to pay? Should only pay subscribers get the guide? Is the guide a revenue source or a loss leader? Should it be weekly, biweekly, monthly? Should it be limited to cable offerings or include off-air too? Should the operator publish the guide himself or seek an outside supplier?

According to Barry Moore of Cable Atlanta, speaking at the Eastern Show, if operators gave subscribers the guide they want, it would list all programming: basic, pay and broadcast and would "no question" be a weekly publication.

"What they (subscribers) would like to do," Moore says, "is open the guidebook and see that at 8:00 p.m. here are my 54 channels. I sincerely believe that is what they want to do."

Moore stresses that getting the ideal is a question of economic feasibility—a question of price.

The environment in the guide business will be significantly different in five years, Moore says. It will become more difficult for cable operators without large subscriber bases to produce guides themselves.

"I'm saying that there is a real question whether the cable company *per se* is going to have much of a role in guides in five years. It is a very effective tool to communicate to your subscribers. I like to pop that letter in there that tells them things I want to tell them. I like being able to sell remotes through there, to put a sell-your-neighbor program through there, to have complete control and go to only my subscriber. But unless you control a whole SMSA, the whole economics of the business may drive you away from that."

Do-it-yourself

Barry Moore artfully expresses the dilemma of the smaller and individual cable operators. And he has taken his own advice. After several years of producing its own guide, Cable Atlanta is switching to an outside supplier.

But other operators are doing it themselves. TCI is publishing *Cabletime*, a monthly 8½ x 11" guide specifically designed for TCI sytsems and to relate to its national programming package. Times Mirror has *Dimension*, a 5 x 7" monthly guide. *Dimension* is an integral aspect of the MSO's new "Dimension" marketing plan. The guide will be offered in all Times Mirror systems by next June.

The issue of control is at the heart of TCI's decision to publish its own guide, according to John Charlton. Control is also inherently a part of Times Mirror's action. Both operators view the guide as an important marketing tool and believe publishing their own guides will help sales.

Larry Miles of Times Mirror says that outside suppliers were too inflexible for the operator's needs. "We had to fit their model," he grouses.

To keep control, Times Mirror went to Boston-based Jubilee Communications, a publisher, and formed a joint venture. Jubilee handles the nuts and bolts of publishing. Times Mirror has editorial control over the content and style.

TCI's Charlton says that control helps change viewing habits. He also states that for a guide to be a true marketing tool it should be free and available to all subscribers.

"Is it truly a marketing tool if it's not to everybody?" he asks.

But there is also a strong movement, particularly in new-build markets, to ask subscribers to pay. Some operators are even beginning to view the guide as a potential profit center.

Information on some major cable program guides

Guide	Publisher	Frequency	Subscribers
Cable Monthly	Cable Communications Media Inc.	Monthly	1,000,000
Cabletime	TCI	Monthly	500,000 projected for '83; 2,000,000 projected for '84
Cable Today and The Cable Guide	TVSM	Monthly	3,800,000 total
Cable Viewer's Guide	Cable Viewer's Guide Inc.	Weekly	100,000
Cableweek	Cableweek Inc.	Weekly	15,600
On Cable	On Cable Publications	Monthly	700,000
Program Guide	Mclean Hunter Inc.	Monthly	188,000
TV-Cable Week	Time Inc.	Weekly	figures not avail.
TV Host TV Host Premium TV	TV Host Inc., Cable TV Publications	Weekly Monthly Monthly	625,000

Warner Amex is selling *The Program Guide*, published by Toronto's Maclean Hunter, for $1.50 in Pittsburgh and Cincinnati and $1.25 in Dallas.

According to Warner Amex Vice President of Marketing Susan Couch, the cost of the guide is "not a revenue stream" but a "relative liquidator" that takes a few years to pay out.

Couch reports that there is little resistance from subscribers—especially new subscribers—to paying for the guide.

Couch says that the "toughest" decision was asking subscribers to pay for information. But, she states, by the end of 1983, more than half of the MSO's systems will sell their cable guide to offset costs.

Says Couch, "If it is a profit center, it becomes difficult to keep the guide's role as a marketing tool in perspective at this stage of the business. The guide is still an embryo. We don't have a cookie cutter yet."

Adds *On Cable* Publisher Peter Funt, "The guide can be both a profit center and a marketing tool, though not necessarily for all systems. You first have to be sure that it's a marketing tool. If you get carried away with revenue and you forget marketing, you've cut your nose to spite your face."

The next step

The future shape of cable guides is uncertain. The possibility of two-way, interactive, instantaneous program guides looms on the horizon, but most operators say that some printed product will be with us for many years to come.

Others already are predicting a shakeout in the program guide publishing arena.

On Cable Publisher Peter Funt says it is "reckless" to make predictions about such an "explosive" field. But Funt will say that simple multipay guides and program guides supplied by HBO, Showtime, etc. will "slowly disappear" and "all-purpose mass guides" will emerge to command the market.

TVSM Executive Vice President Neil Heller says guide publishers will have to expand their services to operators in order to survive. "Retention is now a key. The guide has to keep the subscriber satisfied. It has to reinforce as well as explain the service."■

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